The State Capitol

The Virginia State Capitol in Richmond was the first public building in the New World to be built in the Classical Revival style of architecture. It is the second oldest Capitol in the United States, having been in continuous use since 1788. In 1785 Thomas Jefferson, then Minister to France, was asked to find an architect for the Capitol and it was emphasized that the design should unite economy with elegance and utility. Jefferson, who greatly admired the classical style, secured the services of Charles-Louis Clérisseau, a well-known French architect. Jefferson thought that the Maison Carrée, a Roman temple built in Nimes, France, during the first century A.D., was the most perfect example of the classical style of architecture in existence and he chose it as the model for Virginia's Capitol.

The original building, the central portion of the present Capitol, was a rectangular structure with two principal stories above a high basement. It was built of handmade brick walls scaling from three to five feet in thickness. The Assembly held its first session in the Capitol in October, 1788. The House of Delegates and Senate chambers were on the first floor and the Supreme Court of Appeals and the Office of the Governor were on the second floor. Between 1904 and 1906, the original building was enlarged by the addition of flanking wings. The east wing became the hall of the House of Delegates and the west wing became the chamber of the Senate. Today the Virginia State Capitol is a magnificent monument to Virginia's past and serves well the present needs of the Commonwealth.

Commonwealth of Virginia

Annual Report of the Comptroller to the Governor of Virginia for the Fiscal Year Ended June 30, 1984

Charles S. Robb
Governor

Stuart W. Connock
Secretary of Finance

Edward J. Mazur
Comptroller

Prepared by: The Department of Accounts

Additional copies of this report may be obtained from the Comptroller, Commonwealth of Virginia, P.O. Box 6-N, Richmond, Virginia 23215.

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Office of the Comptroller

December 14, 1984

Edward J. Mazur, C.P.A.
Comptroller

P.O. Box 6-N
Richmond, Virginia 23215

The Honorable Charles S. Robb
Governor of the Commonwealth of Virginia
State Capitol
Richmond, Virginia

Dear Governor Robb:

In compliance with the provisions of Section 2.1-207 of the Code of Virginia, 1950, as amended, I hereby submit my report on the financial condition of the Commonwealth of Virginia for the fiscal year ended June 30, 1984. As further elaborated upon within the remainder of this letter, my report presents the performance of the Commonwealth on both the cash and the accrual bases of accounting. Under the cash basis, our performance resulted in a General Fund surplus of $81.2 million and a total balance in the General Fund of $208.0 million at June 30, 1984. Under the accrual basis, which we have employed in order to conform with national accounting standards, our performance resulted in a total General Fund balance of $288.5 million, of which $161.7 million was unreserved and undesignated. Performance under both of these bases of accounting has resulted in a significant strengthening of the General Fund of the Commonwealth, a positive achievement that will be well received by the members of the financial community who purchase the Commonwealth's bonds. This strengthening will also assist the State in maintaining its "triple A" bond rating.

This comprehensive annual financial report has been prepared in conformance with generally accepted accounting principles, except as noted in the Audit Opinion section of this report, and except as further amplified in the Notes to the Financial Statements. This conformance is the result of significant progress toward reporting in complete conformity with standards established by the National Council on Governmental Accounting (NCGA) and the Financial Accounting Standards Board (FASB). For example, in this year's financial statements we have reflected, for the first time, financial transactions associated with local and endowment funds of our state-supported colleges and universities, and the value of leave balances at year-end. We have also continued to implement the Statewide property management system, and have added an additional $345.6 million in fixed assets to the financial statements over fiscal year 1983.

This report also reflects continued progress in conforming to the recommendations of the Government Finance Officers Association regarding the format of comprehensive annual financial reports. Further, we are working to anticipate and respond to the requirements currently being established by the new Governmental Accounting Standards Board (GASB).

Based on an independent national survey completed during the year, the Commonwealth of Virginia remains in the forefront of states that are bringing their financial reporting into full compliance with governmental accounting standards. Maintaining a progressive position in the financial reporting area is consistent with our objective of providing the users of our financial statements, including those in the investment community, with a complete disclosure of financial position. It is also consistent with our objective of improving the ability of the State's senior management to evaluate the financial condition of the Commonwealth.

Management's Responsibilities

This report has been prepared by the Department of Accounts, whose management is responsible for the integrity and objectivity of the financial statements and other information presented herein. The combined financial statements are considered by management to present fairly the Commonwealth's financial position, results of operations, and changes in fund balances. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to obtain a thorough understanding of the Commonwealth's financial activities have been included. Please note also that we have included the opinion letter from the Auditor of Public Accounts, covering his examination of the Commonwealth's Financial Statements for the year ended June 30, 1984.

General Fund Condition—Budgetary Basis

The General Fund is an important point of focus in determining the overall financial condition of the Commonwealth. Virginia uses the cash basis of accounting for budgetary purposes. Under this basis, revenues and expenditures are recorded at the time cash is actually received or disbursed in accordance with the provisions of the Appropriation Act. This basis of accounting is widely accepted for budget purposes, and has been used in Virginia for many years. My report includes statements and schedules that present the financial activity of the General Fund of the Commonwealth on a cash basis.

Figure 1 illustrates the balance of the General Fund at the end of each fiscal year since June 30, 1980, and highlights the undesignated portion. The undesignated portion denotes the surplus that existed at the end of each fiscal year. Figure 2 illustrates the General Fund activity as planned by the General Assembly and as recorded in Chapter 622, Acts of Assembly, and later revised by Chapter 97. The budgeted amounts for capital outlay include $57 million in reappropriations from prior years, plus $129 million in additional capital outlays authorized by Chapter 97. The appropriations do not include the $13.6 million in selected capital projects that remained frozen following the 1984 session of the General Assembly.

Figure 3 illustrates the Governor's actions to stay within the limits of appropriations made by the General Assembly. The analysis of budget versus actual performance is derived from the statement in this report entitled, "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Budgetary Basis—General and Special Revenue Fund." As Figure 3 indicates, the Commonwealth received $67.1 million more in revenues and ABC profit transfers than planned. The increased revenues and reduced expenditures, together with a realization of an additional $80.2 million in balances carried over from the year ending June 30, 1983, resulted in $160.4 million more than planned being added to the balance of the General Fund.

General Fund Condition—Accrual Basis

Although the Commonwealth budgets and manages its financial affairs on the accepted cash basis of accounting, the nation's financial community has encouraged states to also include in their annual reports, financial statements that are prepared on the accrual basis of accounting. This basis more adequately serves their analytical and other needs. As a result of these reporting needs, efforts have been underway

Fig. 1 **General Fund Balance—Cash Basis—Highlighting the Undesignated Fund Balance**
(Millions of Dollars)

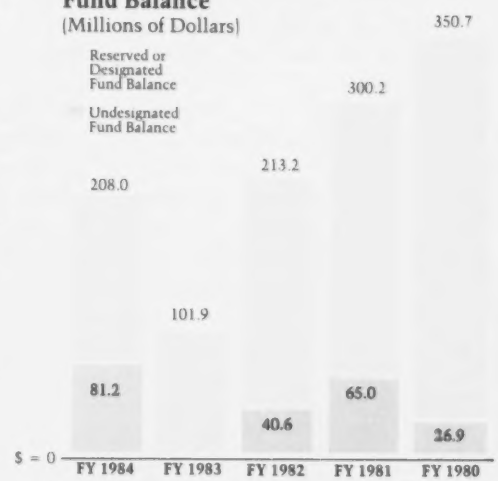


Fig. 2 **Analysis of General Fund Budget**
(Millions of Dollars)

	1982-84 Biennium	Biennium Breakdown FY 1983	FY 1984
Beginning Fund Balance:			
Operating	$ 113.0	$ 113.0	
Capital Outlay Reappropriations	57.5	57.5	
Total	170.5	170.5	$ 21.7
Add Estimated Revenues	6,396.1	3,027.3	3,368.8
Other Financing Sources	22.3	—	22.3
Total Available Funds	6,588.9	3,197.8	3,412.8
Less Appropriations (a)	(6,354.6)	(3,098.3)	(3,256.3)
Less Capital Outlay (b)	(186.7)	(77.8)	(108.9)
Ending Fund Balance	$ 47.6	$ 21.7	$ 47.6

(a) Appropriations consist primarily of operating expenditures and transfers to the Higher Education and Debt Service Funds.
(b) Approximately $27.9 and $13.6 million in planned capital outlay expenditures were restricted during fiscal 1983 and 1984, respectively, and are not included in this analysis.

Fig. 3 **Analysis of Budget vs. Actual General Fund Activity**
(Millions of Dollars)

	Budget	Actual	Variance Favorable (Unfavorable)
Fund Balance, July 1, 1983	$ 21.7	$ 101.9	$ 80.2
Revenues, ABC Profits, and Appropriation Act Transfers	3,368.8	3,435.9	67.1
Appropriation Act Adjustment	22.3	—	(22.3)
Expenditures and Other Uses	(3,365.2)	(3,329.8)	35.4
Net Effect on Fund Balance	25.9	106.1	80.2
Fund Balance, June 30, 1984	$ 47.6	$ 208.0	$ 160.4

Fig. 4 **Summary of Accrued Receivables and Payables—General Fund**
(Millions of Dollars)

Receivables and Accrued Revenues:	
Transfer of 4th Quarter ABC Profits to General Fund	$ 7.9
Accounts Receivable	3.4
Interest Receivable on Interfund Loans	.4
Taxes Receivable (Net)	5.9
Sales Taxes	77.0
Withheld Taxes Receivable	101.9
Total Receivables	196.5
Accounts Payable and Accrued Liabilities:	
Refunds Payable on Withheld Income Taxes	22.3
Accounts Payable	32.9
Sales Tax Due Localities	52.4
ABC Profits Due to Localities	7.6
Other Payments Due to Localities	.9
Total Payables	116.1
Receivables and Accrued Revenues Over Payables and Accrued Liabilities	$ 80.4

since 1981 to conform Virginia's financial accounting practices to the requirements of generally accepted accounting principles (GAAP). As noted earlier, this progression toward conformance with GAAP has resulted in the inclusion in this year's report of local and endowment funds, and the addition of leave balances to the balance sheet of the Commonwealth. With the addition of $345.6 million in fixed assets to this year's balance sheet, significant strides have also been made in reporting the full value of the Commonwealth's fixed assets.

As required under the accrual basis of accounting, these financial statements reflect certain receivables and accrued revenues, amounting to $196.5 million, and certain accounts payable and accrued liabilities, amounting to $116.1 million. Receivables and accrued revenues exceeded accounts payable and accrued liabilities by $80.4 million at year end. These items, which are illustrated in Figure 4, are transactions associated with the year ending June 30, 1984; however, the cash will not be received nor disbursed until fiscal year 1985.

Analysis of Revenues and Expenditures

General Fund revenue (Fig. 5) for the year ended June 30, 1984, was $3.4 billion, or 14.2% greater than the preceding year. The primary sources of this increase were a $219 million increase in Individual and Fiduciary Income Taxes and a $111 million increase in Sales and Use Taxes. Revenue for the current year was 2% over the projected amount. As Figure 5 indicates, anticipated General Fund Revenues for the coming fiscal year are expected to be approximately $3.7 billion, or 7.7% over fiscal 1984.

General Fund expenditures (Fig. 8) for the current year were $2.7 billion, or 7.9% greater than the preceding year. The primary areas which comprise this increase were a $115 million increase in Education and a $39 million increase in Individual and Family Services expenditures.

Fig. 5 **Schedule of General Fund Revenue—Budgetary Basis**
For the Years Ended June 30, 1984, and 1983
(Millions of Dollars)

	Actual			Budget		Projection	
	FY 1984	FY 1983	% FY 1984 Over (Under) FY 1983	FY 1984	% FY 1984 Actual Over (Under) Budget	*FY 1985 Revenue Estimates	% FY 1985 Estimates Over (Under) FY 1984 Actual
Individual Income Taxes	$1,771	$1,552	14.1	$1,740	1.8	$1,942	9.7
Sales and Use Taxes	835	724	15.3	820	1.8	902	8.0
Corporate Income Taxes	243	183	32.8	250	(2.8)	283	16.5
Public Service Corporations	122	119	2.5	126	(3.2)	139	13.9
Premiums of Insurance Companies	97	87	11.5	92	5.4	99	2.1
Other Taxes	206	184	12.0	183	12.6	174	(15.5)
Other Revenues	124	127	(2.4)	121	2.5	120	(3.2)
Total Revenue	$3,398	$2,976	14.2	$3,332	2.0	$3,659	7.7

*FY 1985 revenue estimates are from the 1984 Appropriation Act. Estimates are subject to revision by the Administration, with the approval of the General Assembly.

For informational purposes, Figures 6 and 9 present the composition of the revenue dollar for the General Fund and for all activities of the government, respectively. In a similar manner, Figures 7 and 10 present the composition of the expenditure dollar for the General Fund and for all activities of the government, respectively. These presentations are intended to provide information regarding the sources and uses of dollars received.

Debt Administration

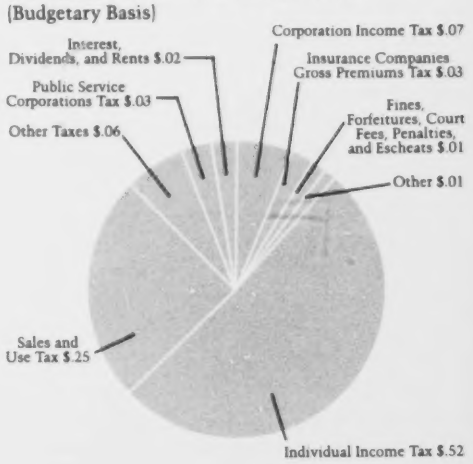
Virginia has traditionally received excellent bond ratings from both Moody's Investors Service and Standard & Poor's Corporation, reflecting our long-standing record for sound fiscal management, our diversified economic base, and low debt ratio. The Commonwealth funds substantial amounts of capital outlay expenditures from General Fund revenues each fiscal year and, accordingly, limits its issuance of long-term bonded debt. A total of $362.1 million in bonds that are backed by the full faith and credit of the Commonwealth were outstanding at June 30, 1984. Of that amount, $270.1 million was being serviced from revenue-producing capital projects, comprised primarily of State college and university facilities, and toll highways. Debt service payments and principal repayments on the balance of $92.0 million, will be funded from General Fund tax revenues. Principal and interest payments on this portion of the Commonwealth's bonded debt were less than 1% of total General Fund expenditures in fiscal 1984.

During fiscal year 1984, the Commonwealth issued $31.9 million in general obligation bonds, all of which were associated with revenue-producing projects operated by institutions of higher education. These bonds were rated "triple A" by both major rating agencies. In fiscal year 1985, the Commonwealth expects to issue approximately $30.0 million in long-term general obligation bonds, which will also be self-supporting.

Cash Management

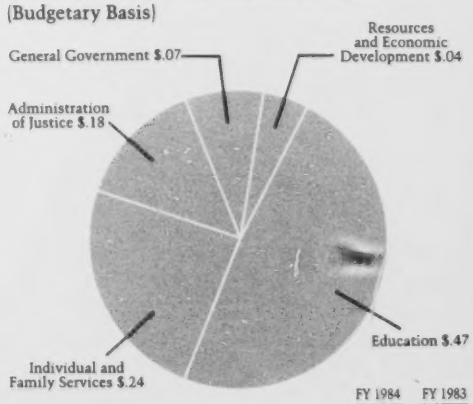
The Commonwealth pools all of its surplus cash into a general account from which it makes investments in a variety of instruments. The average daily invested balance for the year ended June 30, 1984, amounted to $579.0 million. This balance was invested as follows: 20.2% in Repurchase Agreements, 35.1% in U.S. Government and Agency Securities, 39.3% in Money Market Securities, and 5.4% in Time Deposits. Maturities for these investments ranged from one day to four years. For fiscal year 1983-1984, the average yield on investments was 10.0%, as compared to a yield of 10.7% during fiscal year 1982-1983. Total interest received from available balances was $52.5 million. This represented a decrease of $3.4 million from the previous year.

Fig. 6 **Revenue Dollar**
GENERAL FUND—FISCAL YEAR 1984
(Budgetary Basis)


Corporation Income Tax $.07
Interest, Dividends, and Rents $.02
Insurance Companies Gross Premiums Tax $.03
Public Service Corporations Tax $.03
Fines, Forfeitures, Court Fees, Penalties, and Escheats $.01
Other Taxes $.06
Other $.01
Sales and Use Tax $.25
Individual Income Tax $.52

	FY 1984	FY 1983
Individual Income Tax	$ .52	$ .52
Sales and Use Tax	.25	.24
Corporation Income Tax	.07	.06
Public Service Corporations Tax	.03	.04
Insurance Companies Gross Premiums Tax	.03	.03
Other Taxes	.06	.06
Interest, Dividends, and Rents	.02	.03
Fines, Forfeitures, Court Fees, Penalties, and Escheats	.01	.01
Other	.01	.01
Total	$1.00	$1.00

Fig. 7 **Expenditure Dollar**
GENERAL FUND—FISCAL YEAR 1984
(Budgetary Basis)

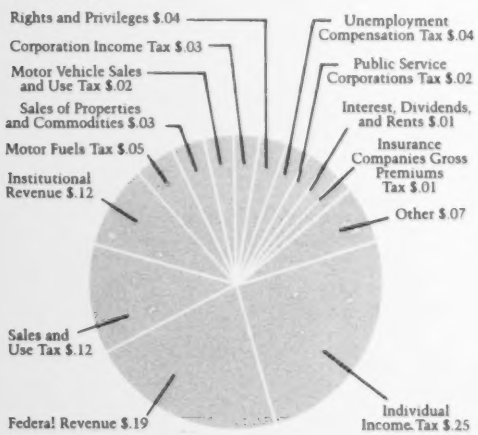


	FY 1984	FY 1983
Education	$ .47	$ .46
Individual and Family Services	.24	.25
Administration of Justice	.18	.18
General Government	.07	.07
Resources and Economic Development	.04	.04
Total	$1.00	$1.00

Fig. 8 **General Fund Expenditures By Function** (Budgetary Basis)
(Millions of Dollars)

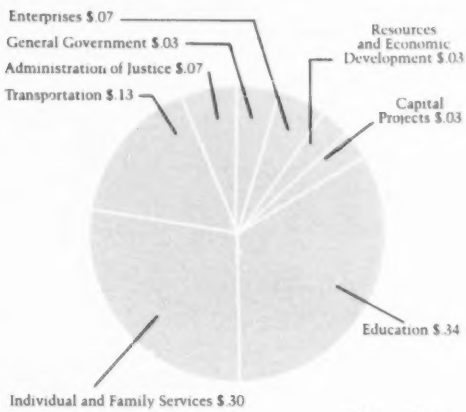
	FY 1984	FY 1983	% Increase (Decrease)	FY 1984 % of Total
General Government	$ 203	$ 184	10.3	7.4
Education	1,271	1,156	9.9	46.5
Transportation	7	7	—	.3
Resources and Economic Development	97	91	6.6	3.6
Individual and Family Services	658	619	6.3	24.0
Administration of Justice	489	469	4.3	18.0
Enterprises	6	5	20.0	.2
Total Expenditures	$2,731	$2,531	7.9	100.0

Fig. 9 **Revenue Dollar**
ALL FUNDS—FISCAL YEAR 1984
(Budgetary Basis)


Rights and Privileges $.04
Corporation Income Tax $.03
Motor Vehicle Sales and Use Tax $.02
Sales of Properties and Commodities $.03
Motor Fuels Tax $.05
Institutional Revenue $.12
Sales and Use Tax $.12
Federal Revenue $.19
Individual Income Tax $.25
Other $.07
Insurance Companies Gross Premiums Tax $.01
Interest, Dividends, and Rents $.01
Public Service Corporations Tax $.02
Unemployment Compensation Tax $.04

	FY 1984	FY 1983
Federal Revenues	$ .19	$ .20
Individual Income Tax	.25	.25
Sales and Use Tax	.12	.11
Institutional Revenue	.12	.12
Motor Fuels Tax	.05	.05
Sales of Property and Commodities	.03	.04
Corporation Income Tax	.03	.03
Rights and Privileges	.04	.04
Unemployment Compensation Tax	.04	.03
Public Service Corporations Tax	.02	.02
Interest, Dividends, and Rents	.01	.01
Insurance Co. Gross Premiums Tax	.01	.01
Motor Vehicles Sales and Use Tax	.02	.01
Other	.07	.08
Total	$1.00	$1.00

Fig. 10 **Expenditure Dollar**
ALL FUNDS—FISCAL YEAR 1984
(Budgetary Basis)



	FY 1984	FY 1983
Education	$ .34	$ .33
Individual and Family Services	.30	.31
Transportation	.13	.13
Administration of Justice	.07	.07
Enterprises	.07	.07
General Government	.03	.04
Capital Projects	.03	.03
Resources and Economic Development	.03	.02
Total	$1.00	$1.00

Public Benefit Corporations

Certain outside organizations have been determined to be part of the Commonwealth's financial reporting entity and are included as Public Benefit Corporations. Public Benefit Corporations are public corporations empowered by the Code of Virginia to provide certain services to the citizens of the Commonwealth, but which are not agencies of the Commonwealth. While these organizations are not State agencies, generally accepted accounting principles require that they be included as part of the Commonwealth's financial reporting entity. The basis for such inclusion principally relates to the power of the Governor to appoint a majority of the Board Members involved, who, in turn, formulate policy. An additional basis relates to requirements that organizations submit reports to the Governor.

This comprehensive annual financial report reflects my commitment to you, to the citizens of the Commonwealth, and to the financial community to maintain our financial statements in conformance with the highest standards of financial accountability.

Respectfully submitted,

Edward J. Mazur

Edward J. Mazur
Comptroller of the Commonwealth of Virginia

The Virginia Economy

The condition of the economy has a major bearing on the fiscal health of state government. This section of the report contains information developed by the Tayloe Murphy Institute at the University of Virginia, and provides the reader with a brief review of the Commonwealth's economic condition in relation to the nation's during the past five years. The analysis and related graphs report information for the period from 1979 to 1983 and, whenever possible, for early 1984. On applicable graphs, the last two national recessions have been denoted with vertical lines labeled "P" for the peak of economic activity (the beginning of a recession) and "T" for the trough of economic activity (the beginning of a recovery).

There have been two national recessions since 1979. The first was sharp, but brief, lasting the first six months of 1980. The second was longer in duration, stretching 16 months from July, 1981, to November, 1982. During both recessions, real gross national product (GNP), a broad measure of the nation's output adjusted for inflation, experienced declines. In the current economic recovery, real GNP grew at an annual rate of 7.1% from the fourth quarter of 1982 to the second quarter of 1984.

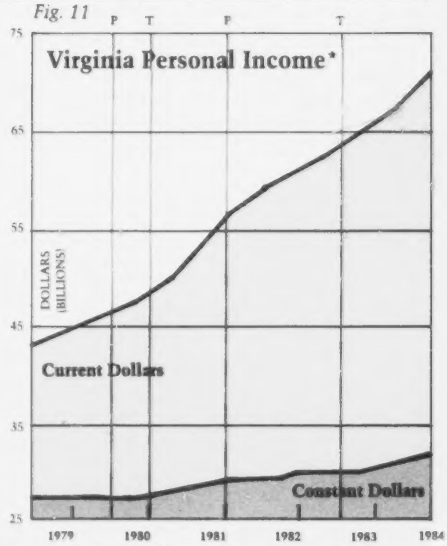
Although Virginia's economy is influenced by the national economy, Virginia faired better than the nation as a whole during the recessions. Virginia's personal income in real and current dollars grew throughout the five-year period (Figure 11), experiencing growth greater than the nation during the recessions. This caused Virginia's share of national income to rise (Figure 12) more during the recessions than during the expansions.

The remarkable growth in Virginia's personal income was also reflected in the per capita income figures (Figure 13). In 1981, Virginia's per capita personal income exceeded the nation's for the first time. This trend continued through 1983. Virginia's 1983 per capita personal income was $12,116, compared to $11,658 for the nation, and $11,119 for the South Atlantic Region.[1] On a percentage basis, Virginia's 1983 per capita personal income was 104% of the nation and 109% of the South Atlantic region.

Inflation was a major problem from 1979 to 1982. The two recessions, however, served to decrease sharply the rate of inflation. The rate of change for producer prices (Figure 14) was at its height during the last quarter of 1979. The rate of change for consumer prices reached its peak one quarter later. During the first recession, the rate of change dropped 6 percentage points for producer prices and 5 percentage points for consumer prices. Between the two recessions the rates of change fluctuated slightly, but then continued their downward trend near the onset of the second recession. By the end of 1982, both producer and consumer prices were at their lowest point, experiencing rates of change of less than 1% on an annual basis. The rates of change of consumer and producer prices rose again during 1983 and the first three months of 1984, but the inflation rates were far below those experienced in the earlier years.

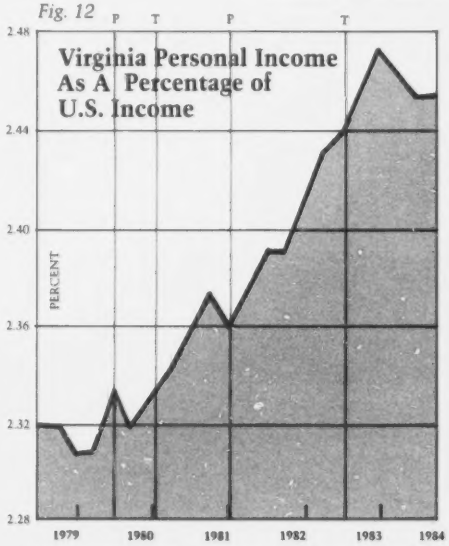
Rapid inflation was a major cause of rising interest rates as lenders demanded higher rates to offset the diminished purchasing power of the dollars they would receive in repayment. The prime rate (Figure 15) charged by banks to their best customers for short-term loans reached a new quarterly high (20.3%) in 1981. The prime rate started its downward trend during the second recession and reached a low of 10.5% during the second quarter of 1983. From then until the

Fig. 11



Quarterly (1979.1-1984.2) Source: U.S. Department of Commerce
*Seasonally adjusted, annual rate

Fig. 12



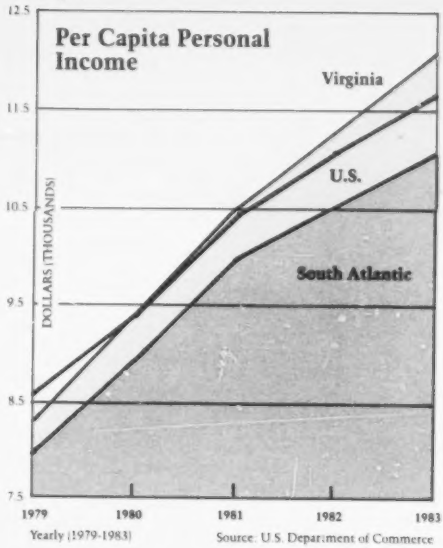
Quarterly (1979.1-1984.2) Source: U.S. Department of Commerce

second quarter of 1984, the prime interest rate rose slightly. Long-term notes (Figure 16) also reached new highs in 1981: 16.3% for new issues of high-grade corporate bonds and 16.0% for new home mortgages. The rates on new issues of high-grade corporate bonds did not stop their upward trend until after the onset of the second recession. New home mortgage rates declined slightly after the first recession, but did not start their downward trend until the second recession. By the second quarter of 1984, mortgage yields had dropped 4 percentage points from their peak.

Virginia's nonagricultural wage and salary employment (Figure 17) increased by 80,500 from 1979 to 1983. In relative terms, the 3.8% gain greatly exceeded the national increase of 0.4%, but fell short of the 6.0% gain made by the South Atlantic Region (Figure 18). Among the major industries in Virginia, the largest numerical and percentage increases during the five-year period were in the service and trade sectors, which accounted for most of the total net increase. Finance, insurance, and real estate, federal government, and transportation and public utilities had modest employment gains throughout the five-year period. Manufacturing, construction, and mining experienced overall declines during that period; however, manufacturing and construction employment rose from 1982 to 1983. Because of the two recessions, major growth in nonagricultural employment was either before 1980 or after 1982. From 1982 to 1983, nonagricultural employment increased by 49,100 with major employment coming from services, 22,700, and trade, 13,000.

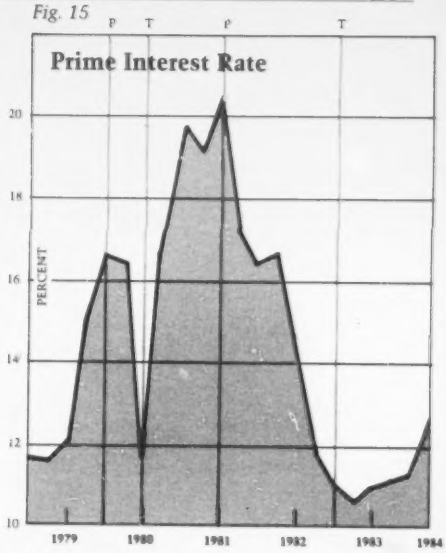
From 1979 to 1982, Virginia's unemployment rate (Figure 19) followed an upward trend, reaching a high of 8.2% during the last quarter of 1982, which coincided with

Fig. 13



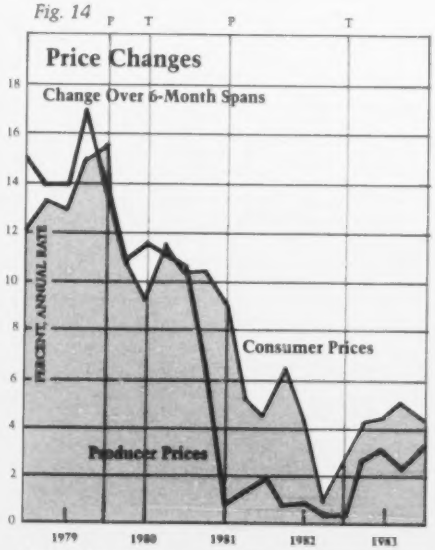
Yearly (1979-1983) Source: U.S. Department of Commerce

Fig. 15



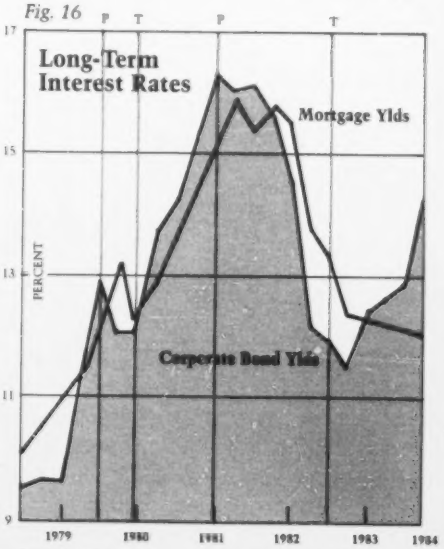
Quarterly (1979.1-1984.2) Source: Board of Governor, Federal Reserve System

Fig. 14



Quarterly (1979.1-1984.1) Source: U.S. Department of Labor

Fig. 16



Quarterly (1979.1-1984.2) Source: Federal Home Loan Bank Board—U.S. Department of Treasury

Fig. 17 **Virginia Nonagricultural Wage and Salary Employment**

Industry Group	Employment (In Thousands of Employees) 1979	1980	1981	1982	1983
Manufacturing	413.8	413.8	414.0	397.2	400.3
Mining	23.3	22.7	21.7	22.1	17.5
Construction	138.4	128.3	116.3	103.8	112.7
Transportation and Public Utilities	114.2	115.8	117.6	119.0	119.2
Trade	443.9	451.2	460.2	462.5	475.5
Finance, Insurance and Real Estate	104.4	105.9	106.1	106.9	109.7
Services and Miscellaneous	383.5	408.3	418.3	434.8	457.5
Federal Government	153.4	156.4	156.7	160.7	162.5
State and Local Government	340.1	354.8	349.9	339.4	340.6
Total	2,115.0	2,157.2	2,160.8	2,146.4	2,195.5

Source: Virginia Department of Labor and Industry

the end of the second recession. By the second quarter of 1984, the unemployment rate had reached a five-year low of 4.0%. Although the Virginia unemployment rate has followed a pattern similar to that of the national unemployment rate, it has consistently been at least 20% lower than the national average.

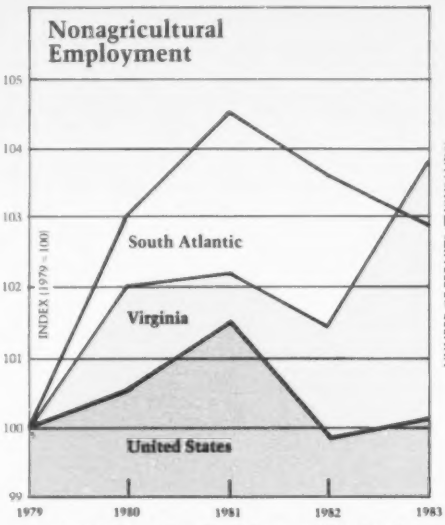
The number of Virginia residential buildings permits (Figure 20) is a good leading indicator of the health of the economy. The number of residential building permits declined before the onset of both recessions and then increased before the end of the recessions. During the recovery, the number of permits continued to rise, reaching a peak of 15,302 in the last quarter of 1983.

Taxable sales (Figure 21) under the Virginia sales and use tax (a fairly good proxy for retail sales) grew at an average annual rate of 9.6% from 1979 to 1983. Most of the gain prior to 1983 was a result of inflation since taxable sales during the period remained almost constant once adjustments were made for price increases. However, taxable sales adjusted for inflation have risen steadily since the fourth quarter of 1982.

In summary, a review of the Virginia economy for the past five years indicates that economic activity in the Commonwealth moves in a similar direction as that of the nation. Virginia's economy, influenced by the end of the national recession in November of 1982, is currently experiencing a vigorous expansion. It is expected that current trends will continue if the national expansion is sustained.

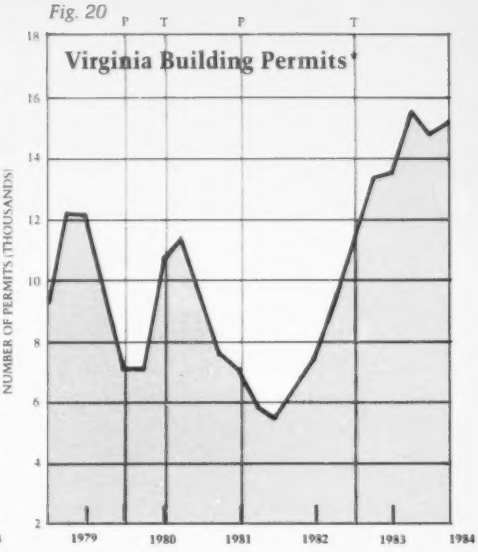
[1]The South Atlantic Region includes the states of Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia, and the District of Columbia.

Fig. 18



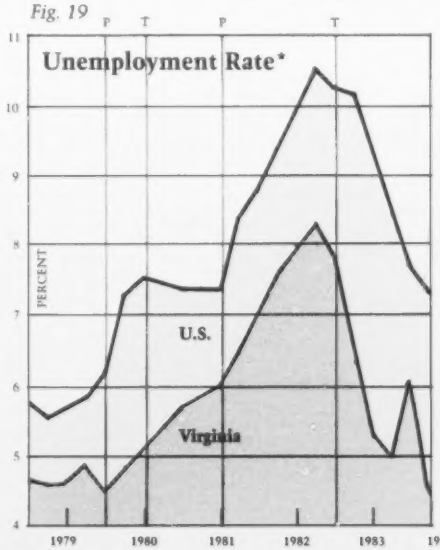
Yearly (1979-1983) Source: Virginia Department of Labor and Industry—U.S. Department of Labor

Fig. 20



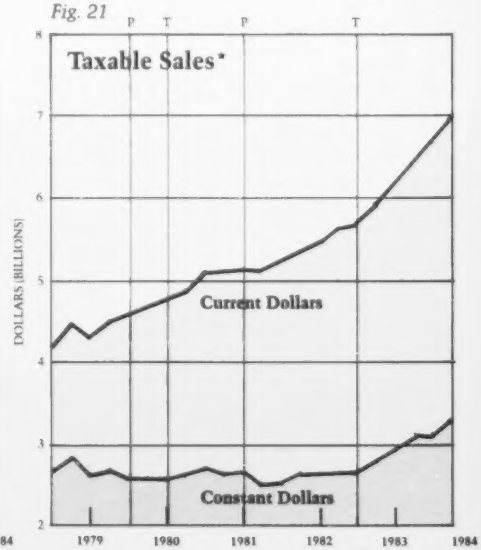
Quarterly (1979.1-1984.2) Source: U.S. Department of Commerce
*seasonally adjusted

Fig. 19



Quarterly (1979.1-1984.2) Source: Virginia Employment Commission—U.S. Department of Labor
*seasonally adjusted

Fig. 21



Quarterly (1979.1-1984.2) Source: Virginia Department of Taxation—U.S. Department of Commerce
*seasonally adjusted

Organization of Government

As of July 1, 1984

Executive

Attorney General

Department of Law
Division of War Veterans Claims

Governor

Chief-of-Staff

Virginia Liaison Office
Secretary of the Commonwealth

Administration

Secretary of Administration
Commission on Local Government
Compensation Board
Department of General Services
Department of Information Technology
Department of Personnel and Training
Office of Employee Relations Counselors
State Board of Elections
Virginia Supplemental Retirement System

Finance

Secretary of Finance
Department of Accounts
Department of Planning and Budget
Department of Taxation
Department of the Treasury
Treasury Board

Human Resources

Secretary of Human Resources
Advocacy Department for the Developmentally Disabled
Commission on Indians
Commission on the Status of Women
Department for the Aging
Department of Health
Department of Health Regulatory Boards
Department of Medical Assistance Services
Department of Mental Health and Mental Retardation
Department of Rehabilitative Services
Department of Social Services
Division for Children
Division of Volunteerism
Governor's Employment and Training Division
Virginia Department for the Visually Handicapped
Virginia Division for the Deaf and Hard-of-Hearing
Virginia Health Services Cost Review Commission

Commerce and Resources

Secretary of Commerce and Resources
Commission of Game and Inland Fisheries
Council on the Environment
Department of Agriculture and Consumer Services
Department of Commerce
Department of Conservation and Historic Resources
Department of Economic Development
Department of Housing and Community Development
Department of Labor and Industry
Department of Mines, Minerals and Energy
Hazardous Waste Siting Board
Marine Resources Commission
Milk Commission
State Air Pollution Control Board
State Office of Minority Business Enterprises
State Water Control Board
Virginia Employment Commission

Transportation and Public Safety

Secretary of Transportation and Public Safety
Commonwealth's Attorneys' Services and Training Commission
Department of Alcoholic Beverage Control
Department of Aviation
Department of Corrections
Department of Criminal Justice Services
Department of Fire Programs
Department of Highways and Transportation
Department of Military Affairs
Department of State Police
Division of Motor Vehicles
Rehabilitative School Authority
State Office of Emergency Services
Virginia Parole Board
Virginia Port Authority

Education

Secretary of Education
Christopher Newport College
Department of Education
George Mason University
James Madison University
Jamestown-Yorktown Foundation
Longwood College
Mary Washington College
Norfolk State University
Old Dominion University
Radford University
State Council of Higher Education for Virginia
The College of William and Mary
The Science Museum of Virginia
University of Virginia
Virginia Commission for the Arts
Virginia Commonwealth University
Virginia Community College System
Virginia Military Institute
Virginia Museum of Fine Arts
Virginia Polytechnic Institute and State University
Virginia State Library
Virginia State University
Virginia Truck and Ornamentals Research Station

Legislative

Senate
House of Delegates
Auditor of Public Accounts
Commission on Veterans' Affairs
Division of Legislative Automated Systems
Division of Legislative Services
Joint Legislative Audit and Review Commission
Legislative Support Commission
Division of Capitol Police
Solid Waste Commission
Virginia Coal and Energy Commission
Virginia Code Commission
Virginia Commission on Intergovernmental Cooperation
Virginia State Crime Commission
Virginia Housing Study Commission
Water Commission

Judicial

Supreme Court
Court of Appeals of Virginia
Circuit Courts
District Courts
Judicial Inquiry and Review Commission
Magistrate System
Public Defender Commission
State Board of Bar Examiners
Virginia State Bar

Independent Agencies

State Corporation Commission
Department of Workmen's Compensation

Public Benefit Corporations

Virginia Education Loan Authority
Virginia Housing Development Authority
Virginia International Terminals, Inc.

Financial Section

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Auditor's Opinion

WALTER J. KUCHARSKI
AUDITOR

Commonwealth of Virginia

AUDITOR OF PUBLIC ACCOUNTS

P. O. Box 1295

Richmond 23210

December 14, 1984

The Honorable Charles S. Robb
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable L. Cleaves Manning
Chairman, Joint Legislative Audit and Review Commission
General Assembly Building
Richmond, Virginia

Gentlemen:

We have examined the combined financial statements of the COMMONWEALTH OF VIRGINIA as of and for the year ended June 30, 1984, as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements do not include certain of the institutional and endowment funds of State-supported institutions of higher education. The financial results of these funds which cannot be quantified, would be recorded in the Higher Education Fund.

The General Fixed Asset account group does not include all assets, purchased or leased, of the Commonwealth of Virginia. The Department of Accounts has implemented a fixed asset accounting system, however, all agencies and institutions of the Commonwealth have not completed the necessary inventories of their fixed assets to be recorded in the accounting system. We, therefore, were unable to determine the amount of such assets.

In adopting generally accepted accounting principles, the Department of Accounts has been required to make significant changes in accounting principles and estimates which affect the comparability of these financial statements with previously issued reports. The effects of these significant changes discussed in Notes 3 and 4 cannot be determined for prior years and, therefore, comparability does not exist.

We did not examine the financial statements of the Public Benefit Corporations. These statements were examined by independent certified public accounting firms as discussed in Note 9, and our opinion ex-

pressed herein, insofar as it relates to these entities, is based solely upon the reports of the other auditors.

In our opinion, except for the effects of the exclusion of certain institutional and endowment funds for State-supported institutions of higher education and certain assets in the General Fixed Asset account group, the accompanying financial statements present fairly the financial position of the Commonwealth of Virginia as of June 30, 1984, and the results of its operations and changes in fund balances for the fiscal year then ended, in conformity with generally accepted accounting principles.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining financial statements and supplementary schedules listed in the Table of Contents are presented for the purposes of additional anaylsis and are not a required part of the combined financial statements of the Commonwealth of Virginia. This information, and not the information in the Introductory or Statistical Sections, has been subjected to the auditing procedures applied in the examination of the combined financial statements, and in our opinion, such information is fairly stated in all material respects in relation to the combined financial statements taken as a whole. We express no opinion on the information in the Introductory and Statistical Sections.

Sincerely,

Walter J. Kucharski

AUDITOR OF PUBLIC ACCOUNTS

Combined Balance Sheet
All Fund Types and Account Groups

June 30, 1984

(Dollars in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets				
Cash and Investments	$192,605	$348,777	$60,688	$75,430
Cash and Investments with Trustees	—	—	—	—
Cash with Fiscal Agent	—	—	6,000	—
Petty Cash and Travel Advances	3,532	1,141	—	—
Taxes, Loans, Accounts, and Other Receivables (Net) (Note 1)	188,552	140,509	—	—
Accrued Interest Receivable	403	—	—	—
Due from Other Funds (Note 8)	7,850	50,652	—	—
Loans Receivable from Proprietary Funds (Note 1)	14,375	—	—	—
Investments (Note 1)	—	—	—	—
Inventory, at Cost (Note 1)	—	26,337	—	—
Prepaid Expenses	—	—	—	—
Deferred Charges	—	41,045	—	—
Other Assets	—	—	—	—
Property, Plant, and Equipment (Net) (Note 1)	—	—	—	—
Systems Development Cost (Net) (Note 1)	—	—	—	—
Amount Available for Retirement of Long-Term Debt	—	—	—	—
Amount to be Provided for the Retirement of Matured Debt	—	—	372	—
Amount to be Provided by the Commonwealth for Retirement of Long-Term Debt (Note 7)	—	—	—	—
Amount to be Provided by Other Sources for Retirement of Long-Term Debt (Note 7)	—	—	—	—
Unamortized Bond Issuance Expense	—	—	—	—
Total Assets	$407,317	$608,461	$67,060	$75,430
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	$ 32,930	$109,622	$ 4	$ 2,957
Tax Refunds Payable	22,336	—	—	—
Amounts due to Localities	60,788	—	—	—
Accrued Interest Payable	—	—	—	—
Deposits Pending Distribution	264	639	—	—
Due to Commercial Institutions	—	—	—	—
Notes Payable—Public Benefit Corporations	—	—	—	—
Other Liabilities	—	—	—	—
Due to Other Funds (Note 8)	2,245	18,926	—	—
Loans Payable to the General Fund	—	—	—	—
Deferred Revenue	271	87	—	—
General Obligation Bonds	—	—	—	—
Transportation Bonds Payable	—	—	—	—
Higher Education Bonds Payable	—	—	—	—
Matured Interest Payable	—	—	6,095	—
Matured Debt Payable	—	—	645	—
Estimated Tax Refunds Payable on Withheld Income Taxes (Note 7)	—	—	—	—
Long-Term Debt of Virginia Port Authority, Virginia Public School Authority, and Virginia Public Building Authority (Note 7)	—	—	—	—
Bonds Payable—Public Benefit Corporations (Note 7)	—	—	—	—
Due to Program Participants, Escrows, and Providers	—	—	—	—
Accrued Liability for Compensated Absences	—	—	—	—
Total Liabilities	118,834	129,274	6,744	2,957
Fund Equity:				
Investment in Plant	—	—	—	—
Investment in General Fixed Assets	—	—	—	—
Contributed Capital	—	—	—	—
Retained Earnings	—	—	—	—
Fund Balances:				
Reserved (Note 1)	14,375	41,045	—	—
Unreserved:				
Designated	112,417	—	60,316	72,473
Undesignated	161,691	438,142	—	—
Total Fund Equity	288,483	479,187	60,316	72,473
Total Liabilities and Fund Equity	$407,317	$608,461	$67,060	$75,430

The accompanying notes are an integral part of this financial statement.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups				Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Higher Education	Public Benefit Corporations	June 30, 1984	June 30, 1983
$ 2,991	$ 12,533	$ 416,518	$ —	$ —	$ 238,694	$ 51,416	**$ 1,399,652**	$ 808,787
—	—	203,656	—	—	—	—	**203,656**	83,292
—	—	—	—	—	—	—	**6,000**	12,417
95	26	119	—	—	373	—	**5,286**	5,400
2,033	3,547	289,052	—	—	193,926	1,595,241	**2,412,860**	1,930,347
—	—	42,946	—	—	—	28,288	**71,637**	59,550
—	—	—	—	—	—	—	**58,502**	75,686
—	—	—	—	—	—	—	**14,375**	15,375
—	—	3,669,163	—	—	246,817	682,135	**4,598,115**	4,040,309
28,314	9,613	343	—	—	3,423	5,327	**73,357**	71,134
6	174	—	—	—	150	1,001	**1,331**	620
—	—	—	—	—	—	—	**41,045**	17,711
—	—	27	—	—	3,645	—	**3,672**	2,967
9,641	25,059	6,700	600,753	—	648,850	7,784	**1,298,787**	1,058,933
—	—	—	—	—	—	176	**176**	94
—	—	—	—	60,316	93,744	—	**154,060**	112,888
—	—	—	—	—	—	—	**372**	372
—	—	—	—	476,693	211,794	—	**688,487**	565,836
—	—	—	—	327,826	—	—	**327,826**	224,535
—	—	—	—	—	—	1,880	1,880	1,595
$43,080	$50,952	$4,628,524	$600,753	$864,835	$1,641,416	$2,373,248	**$11,361,076**	$9,087,848
$ 6,795	$ 4,717	$ 87,928	$ —	$ —	$ 79,990	$ 17,673	**$ 342,616**	$ 322,917
—	—	—	—	—	—	—	**22,336**	20,109
—	—	39,030	—	—	—	—	**99,818**	84,889
—	—	—	—	—	402	43,216	**43,618**	40,953
—	—	5,304	—	—	59	—	**6,266**	19,747
1,000	8,293	—	—	—	—	—	**9,293**	4,307
—	—	—	—	—	—	75,691	**75,691**	72,985
65	1,102	9,593	—	—	84,918	2,336	**98,014**	62,342
16,587	—	—	—	—	20,744	—	**58,502**	75,686
9,000	5,375	—	—	—	—	—	**14,375**	15,375
563	757	3	—	—	25,673	6,735	**34,089**	27,754
—	—	—	—	92,050	—	—	**92,050**	104,425
—	—	—	—	104,000	—	—	**104,000**	104,000
—	—	—	—	—	293,311	—	**293,311**	272,897
—	—	—	—	—	7,971	—	**14,066**	6,153
—	—	—	—	—	4,256	—	**4,901**	3,674
—	—	—	—	214,189	—	—	**214,189**	190,723
—	—	—	—	343,803	—	—	**343,803**	228,242
—	—	—	—	—	—	1,970,722	**1,970,722**	1,745,642
—	—	103,275	—	—	—	28,109	**131,384**	24,657
4,714	1,340	179	—	110,793	45,144	300	**162,470**	45,251
38,724	21,584	245,312	—	864,835	562,468	2,144,782	**4,135,514**	3,472,728
—	—	—	—	—	648,850	—	**648,850**	641,845
—	—	—	600,753	—	—	—	**600,753**	382,051
—	5,570	—	—	—	—	2,228	**7,798**	7,798
4,356	23,798	—	—	—	—	226,238	**254,392**	215,511
—	—	3,463,791	—	—	8,740	—	**3,527,951**	2,997,961
—	—	919,421	—	—	93,744	—	**1,258,371**	1,050,582
—	—	—	—	—	327,614	—	**927,447**	319,372
4,356	29,368	4,383,212	600,753	—	1,078,948	228,466	**7,225,562**	5,615,120
$43,080	$50,952	$4,628,524	$600,753	$864,835	$1,641,416	$2,373,248	**$11,361,076**	$9,087,848

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only) Year Ended	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	June 30, 1984	June 30, 1983
Revenues:							
Taxes	$3,309,692	$ 545,812	$ —	$ —	$ 289,629	**$4,145,133**	$3,531,069
Rights and Privileges	18,497	225,678	—	—	12,286	**256,461**	231,830
Sales of Property and Commodities	1,839	3,712	—	—	18,846	**24,397**	3,748
Assessments and Receipts for Support of Special Services	676	10,142	—	—	4,520	**15,338**	15,082
Institutional Revenue	2,522	155,721	—	—	—	**158,243**	144,671
Interest, Dividends, and Rents	63,688	1,500	1,247	7,588	42,314	**116,337**	98,424
Fines, Forfeitures, Court Fees, Penalties, and Escheats	28,005	2,498	—	—	20,576	**51,079**	30,889
Federal Grants, Contracts, and Revenue Sharing	16	1,184,881	—	—	25,829	**1,210,726**	1,127,043
Receipts from Cities, Counties, and Towns	846	61,095	—	—	3,657	**65,598**	52,995
Private Donations, Gifts, and Contracts	1	847	—	—	—	**848**	2,556
Other	8,294	20,350	—	—	1,423	**30,067**	45,458
Total Revenues	3,434,076	2,212,236	1,247	7,588	419,080	**6,074,227**	5,283,765
Expenditures:							
Current:							
General Government	205,013	7,767	—	—	3,473	**216,253**	162,525
Education	1,274,866	166,263	—	—	46,698	**1,487,827**	1,307,152
Transportation	6,567	891,243	—	—	14,346	**912,156**	823,459
Resources and Economic Development	97,468	74,505	—	—	1,912	**173,885**	174,493
Individual and Family Services	658,501	964,096	—	—	186,326	**1,808,923**	1,865,550
Administration of Justice	485,597	8,129	—	—	—	**493,726**	482,805
Enterprises	6,427	1,209	—	—	—	**7,636**	6,055
Capital Projects	—	—	—	165,209	—	**165,209**	82,245
Debt Service:							
Principal Retirement	—	—	29,832	—	—	**29,832**	28,530
Interest and Charges	—	—	25,101	—	—	**25,101**	37,117
Total Expenditures	2,734,439	2,113,212	54,933	165,209	252,755	**5,320,548**	4,969,931
Revenues Over (Under) Expenditures	699,637	99,024	(53,686)	(157,621)	166,325	**753,679**	313,834
Other Financing Sources (Uses):							
ABC Profit Transfers	25,899	—	—	—	—	**25,899**	29,539
Appropriation Act Transfers	11,831	(4,906)	—	(129)	(131)	**6,665**	10,266
Operating Transfers In	213	645,441	60,134	54,483	7,721	**767,992**	1,233,936
Operating Transfers Out	(593,091)	(686,379)	—	(11,007)	(33,880)	**(1,324,357)**	(1,732,963)
Trust Fund Receipts Over Disbursements	—	57,413	—	—	20,880	**78,293**	53,347
Increase (Decrease) in Assets Held by Trustees	—	—	—	—	180,972	**180,972**	15,739
Proceeds from Sale of Bonds	—	760	11,781	103,027	—	**115,568**	57,000
Workmen's Compensation Receipts Over Disbursements	—	—	—	—	10,341	**10,341**	—
Other Sources (Uses)	(5,095)	(221)	—	—	(151,118)	**(156,434)**	2,568
Total Other Financing Sources (Uses)	(560,243)	12,108	71,915	146,374	34,785	**(295,061)**	(330,568)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	139,394	111,132	18,229	(11,247)	201,110	**458,618**	(16,734)
Fund Balance, July 1, as adjusted (Note 4)	149,089	368,055	42,087	83,720	716,759	**1,359,710**	1,073,484
Fund Balance, June 30	$ 288,483	$ 479,187	$ 60,316	$ 72,473	$ 917,869	**$1,818,328**	$1,056,750

The accompanying notes are an integral part of this financial statement.

Combined Statement of Revenues, Expenses, and Changes in Fund Equity
All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
					Year Ended	
	Enterprise	Internal Service	Pension Trust	Non-expendable Trust	June 30, 1984	June 30, 1983
Operating Revenues:						
Charges for Sales and Services	$ 247,973	$ 100,039	$ —	$ 4,055	**$ 352,067**	$ 349,491
Contributions	—	—	481,887	20	**481,907**	436,478
Accrued Revenue	—	—	—	—	**—**	1
Other	—	—	683	7,657	**8,340**	6,594
Total Operating Revenues	247,973	100,039	482,570	11,732	**842,314**	792,564
Operating Expenses:						
Cost of Sales and Services	167,783	58,412	—	3,541	**229,736**	230,957
Personal Services	33,945	13,832	—	82	**47,859**	46,664
Contractual Services	4,141	5,429	—	—	**9,570**	9,720
Supplies and Materials	3,643	3,033	—	—	**6,676**	5,744
Grants and Distributions to Localities	80	19	—	—	**99**	96
Expendable Equipment	142	309	—	—	**451**	318
Depreciation	1,153	6,523	35	6	**7,717**	8,373
Rent, Insurance, and Other Related Charges	4,139	9,531	--	—	**13,670**	8,272
Pension Fund	—	—	253,676	—	**253,676**	221,110
Accrued Expenses	—	—	—	—	**—**	1
Other	—	102	—	7,751	**7,853**	6,643
Total Operating Expenses	215,026	97,190	253,711	11,380	**577,307**	537,898
Operating Income	32,947	2,849	228,859	352	**265,007**	254,666
Nonoperating Revenues (Expenses):						
Net Gain (Loss) on Sale of Investments	—	—	72,126	148	**72,274**	134,743
Interest, Dividends, and Rents	(848)	(317)	227,249	382	**226,466**	193,597
Discounts	10	101	—	—	**111**	109
Gain (Loss) on Sale of Fixed Assets	3	26	—	—	**29**	(52)
Grants and Shared Revenue	309	—	—	—	**309**	309
Other	18	34	—	(178)	**(126)**	(139)
Total Nonoperating Revenues (Expenses)	(508)	(156)	299,375	352	**299,063**	328,567
ABC Profit Transfers	(25,899)	—	—	—	**(25,899)**	(28,395)
Appropriation Act Transfers	(6,413)	(250)	—	—	**(6,663)**	(9,629)
Operating Transfers In	265	—	296,441	—	**296,706**	335,060
Operating Transfers Out	—	—	(293,983)	(217)	**(294,200)**	(332,006)
Total Transfers	(32,047)	(250)	2,458	(217)	**(30,056)**	(34,970)
Net Income	392	2,443	530,692	487	**534,014**	548,263
Change In Contributed Capital	—	—	—	—	**—**	201
Fund Equity, July 1, as adjusted (Note 4)	3,964	26,925	2,928,783	5,381	**2,965,053**	2,421,815
Fund Equity, June 30	$ 4,356	$ 29,368	$3,459,475	$ 5,868	**$3,499,067**	$2,970,279

The accompanying notes are an integral part of this financial statement.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual—Budgetary Basis General and Special Revenue Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	$3,210,800	$3,273,247	$ 62,447
Rights and Privileges	17,200	17,432	232
Sales of Property and Commodities	1,300	1,846	546
Assessments and Receipts for Support of Special Services	700	754	54
Institutional Revenue	3,600	3,040	(560)
Interest, Dividends,and Rents	57,100	65,175	8,075
Fines, Forfeitures, Court Fees, Penalties, and Escheats	26,200	27,894	1,694
Federal Grants, Contracts, and Revenue Sharing	—	16	16
Receipts from Cities, Counties, and Towns	1,000	873	(127)
Private Gifts, Donations, and Contracts	—	—	—
Other	13,600	7,434	(6,166)
Total Revenues	3,331,500	3,397,711	66,211
Expenditures:			
General Government	315,468	203,212	112,256
Education	1,237,725	1,270,869	(33,144)
Transportation	6,363	6,571	(208)
Resources and Economic Development	93,117	97,262	(4,145)
Individual and Family Services	643,971	657,749	(13,778)
Administration of Justice	427,731	488,987	(61,256)
Enterprises	4,983	6,400	(1,417)
Total Expenditures	2,729,358	2,731,050	(1,692)
Revenues Over (Under) Expenditures	602,142	666,661	64,519
Other Financing Sources (Uses):			
ABC Profit Transfers	24,800	26,293	1,493
Appropriation Act Transfers	12,500	11,882	(618)
Net Operating Transfers:			
Higher Education Fund (Education and General)	(523,067)	(519,950)	3,117
Debt Service Fund	(3,847)	(6,070)	(2,223)
Other Authorized Operating Transfers	—	(2,867)	(2,867)
Capital Outlay Transfers	(108,965)	(64,726)	44,239
Trust Fund Receipts Over Disbursements	—	—	—
Net Increase in Assets Held by Trustees	—	—	—
Other	22,345	(5,095)	(27,440)
Total Other Financing Sources (Uses)	(576,234)	(560,533)	15,701
Revenues and Other Sources Over (Under) Expenditures and Other Uses	25,908	106,128	80,220
Fund Balance, July 1, as adjusted	21,700	101,885	80,185
Fund Balance, June 30 (Note 1)	$ 47,608	$ 208,013	$ 160,405

The accompanying notes are an integral part of this financial statement.

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 495,982	$ 545,519	$ 49,537	$3,706,782	$3,818,766	$ 111,984
233,878	244,707	10,829	251,078	262,139	11,061
3,311	3,985	674	4,611	5,831	1,220
10,843	9,862	(981)	11,543	10,616	(927)
242,523	158,719	(83,804)	246,123	161,759	(84,364)
1,309	845	(464)	58,409	66,020	7,611
4,360	3,836	(524)	30,560	31,730	1,170
1,379,962	1,177,846	(202,116)	1,379,962	1,177,862	(202,100)
44,254	56,488	12,234	45,254	57,361	12,107
367	847	480	367	847	480
50,578	25,975	(24,603)	64,178	33,409	(30,769)
2,467,367	2,228,629	(238,738)	5,798,867	5,626,340	(172,527)
20,008	10,964	9,044	335,476	214,176	121,300
229,165	165,536	63,629	1,466,890	1,436,405	30,485
1,025,154	864,496	160,658	1,031,517	871,067	160,450
95,350	74,168	21,182	188,467	171,430	17,037
1,046,556	961,681	84,875	1,690,527	1,619,430	71,097
15,745	8,070	7,675	443,476	497,057	(53,581)
1,728	897	831	6,711	7,297	(586)
2,433,706	2,085,812	347,894	5,163,064	4,816,862	346,202
33,661	142,817	109,156	635,803	809,478	173,675
—	—	—	24,800	26,293	1,493
(3,592)	(3,592)	—	8,908	8,290	(618)
—	—	—	(523,067)	(519,950)	3,117
—	—	—	(3,847)	(6,070)	(2,223)
—	(4,036)	(4,036)	—	(6,903)	(6,903)
(18,575)	(18,575)	—	(127,540)	(83,301)	44,239
—	29,997	29,997	—	29,997	29,997
—	9,961	9,961	—	9,961	9,961
—	539	539	22,345	(4,556)	(26,901)
(22,167)	14,294	36,461	(598,401)	(546,239)	52,162
11,494	157,111	145,617	37,402	263,239	225,837
110,728	360,688	249,960	132,428	462,573	330,145
$ 122,222	$ 517,799	$ 395,577	$ 169,830	$ 725,812	$ 555,982

Combined Statement of Changes in Financial Position
All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) Year Ended	
	Enterprise	Internal Service	Pension Trust	Nonexpendable Trust	June 30, 1984	June 30, 1983
Sources of Working Capital:						
Operations:						
Net Income	$ 392	$ 2,443	$530,692	$ 487	**$534,014**	$548,263
Items Not Requiring Working Capital:						
Depreciation	1,153	6,523	35	6	**7,717**	8,773
Amortization	—	—	(7,585)	—	**(7,585)**	22,459
Loss (Gain) on Sale of Fixed Assets	(10)	(3)	—	—	**(13)**	50
Accrued Liability for Compensated Absences	67	172	(4)	1	**236**	—
Working Capital Provided by Operations	1,602	9,135	523,138	494	**534,369**	579,545
Increase in Capital Appropriated	—	—	—	—	**—**	201
Increase in Long-Term Debt Payable	—	8,068	—	—	**8,068**	8,500
Sale of Equipment	36	375	—	—	**411**	27
Addition in Retained Earnings Due to Prior-Period Adjustment	—	—	111	—	**111**	981
Total Sources of Working Capital	1,638	17,578	523,249	494	**542,959**	589,254
Uses of Working Capital:						
Acquisition of Property, Plant, and Equipment	1,200	12,322	6,462	3	**19,987**	8,044
Reduction in Long-Term Debt Payable	1,500	2,581	—	—	**4,081**	3,517
Increase in Long-Term Investments	—	—	410,853	225	**411,078**	568,813
Reduction in Retained Earnings Due to Prior-Period Adjustment	—	453	—	228	**681**	200
Total Uses of Working Capital	2,700	15,356	417,315	456	**435,827**	580,574
Net Increase (Decrease) in Working Capital	$ (1,062)	$ 2,222	$105,934	$ 38	**$107,132**	$ 8,680
Elements of Net Increase (Decrease) in Working Capital:						
Cash and Investments	$ 1,247	$ 2,037	$ (8,601)	$ 198	**$ (5,119)**	$ 7,266
Securities	—	—	104,207	96	**104,303**	(3,339)
Receivables	571	(212)	8,308	(57)	**8,610**	1,961
Inventories	815	2,777	—	(25)	**3,567**	2,559
Prepaid Expenses	(7)	27	—	—	**20**	(35)
Payables, Deposits, and Other Liabilities	(3,661)	(2,120)	3,200	(174)	**(2,755)**	1,207
Retirement Benefits Payable	—	—	(1,728)	—	**(1,728)**	(1,743)
Retirement Refunds Payable	—	—	548	—	**548**	(148)
Deferred Revenue	(27)	(287)	—	—	**(314)**	952
Net Increase (Decrease) in Working Capital	$ (1,062)	$ 2,222	$105,934	$ 38	**$107,132**	$ 8,680

The accompanying notes are an integral part of this financial statement.

Combined Statement of Revenues, Expenditures, and Changes in Fund Equity Higher Education Fund

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Year Ended June 30, 1984	Year Ended June 30, 1983
Revenues:		
Education and General:		
Student Tuition and Fees	$ 233,233	$ 208,810
Governmental Grants and Contracts—Federal	157,741	130,322
Governmental Grants and Contracts—State Agencies	5,398	5,297
Governmental Grants and Contracts—Local	21,314	8,933
Gifts and Private Grants	64,786	55,101
Endowment Income	27,170	21,958
Sales and Services of Educational Departments	11,234	9,480
Indirect Costs Recovered	12,426	9,601
Other Sources	31,966	15,121
Total Education and General	565,268	464,623
Auxiliary Enterprises—Academic	189,815	163,446
Auxiliary Enterprises—Medical Hospitals:		
Patient Revenue—Per Diem Revenue	165,586	153,346
Patient Revenue—Other Fees	88,248	69,967
Other Medical Hospital Auxiliary Enterprises	3,840	8,054
Total Revenues	1,012,757	859,436
Expenditures:		
Education and General:		
Instruction	424,107	407,504
Student Aid	132,309	128,231
Physical Health Services	179,605	158,464
Institutional Support Services	101,788	102,004
Academic Support	109,629	115,989
Operation and Maintenance of Plant	81,955	83,724
Administrative and Support Services	68,118	63,017
Student Services	48,754	46,502
Public Services	35,046	36,981
Research	21,904	21,500
Other Expenditures	48,002	34,394
Total Education and General	1,251,217	1,198,310
Capital Outlay	152,676	126,656
Auxiliary Enterprises	171,569	158,602
Total Expenditures	1,575,462	1,483,568
Revenues Over (Under) Expenditures	(562,705)	(624,132)
Other Financing Sources (Uses):		
Appropriation Act Transfers	(2)	(256)
Proceeds from Sale of Bonds	57,409	59,373
Operating Transfers In	561,147	653,623
Operating Transfers Out	(7,288)	(95,430)
Net Increase in Assets Held by Trustees	229	6,822
Trust Fund Receipts Over (Under) Disbursements	(477)	—
Other Sources	5,095	—
Total Other Financing Sources (Uses)	616,113	624,132
Revenues and Other Sources Over (Under) Expenditures and Other Uses	53,408	—
Other Changes in Fund Equity:		
Accrual of Compensated Absences and Other Items	—	(52,581)
Increase in Commonwealth Investment in Plant	7,005	641,845
Fund Equity, July 1, as adjusted (Note 4)	1,018,535	429,271
Fund Equity, June 30	$1,078,948	$1,018,535

The accompanying notes are an integral part of this financial statement.

Combined Statement of Revenues, Expenses, and Changes in Fund Equity Public Benefit Corporations

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
Operating Revenues:		
Interest, Dividends, and Rents	$202,431	$192,491
Special Allowance Income	12,456	10,246
Charges for Sales and Services	39,284	30,634
Other	266	194
Total Operating Revenues	254,437	233,565
Operating Expenses:		
Interest Expense	167,520	157,250
Personal Services	11,939	9,833
Cost of Sales and Services	23,850	18,041
Commitment Fees	94	1,321
Rent, Insurance, and Other Related Charges	3,225	2,406
Depreciation	1,147	918
Amortization	45	36
Contractual Services	1,726	1,370
Supplies and Materials	567	506
Expendable Equipment	77	67
Other	3,073	2,663
Total Operating Expenses	213,263	194,411
Operating Income	41,174	39,154
Nonoperating Revenues (Expenses):		
Net Gain (Loss) on Sale of Investments	87	(7,136)
Net Income	41,261	32,018
Change in Contributed Capital	—	796
Fund Equity, July 1, as adjusted (Note 4)	187,205	154,691
Fund Equity, June 30	$228,466	$187,505

The accompanying notes are an integral part of this financial statement.

Combined Statement of Changes in Financial Position Public Benefit Corporations

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
Sources of Working Capital:		
Operations:		
Net Income	$ 41,261	$ 32,018
Items not Requiring Working Capital:		
Change in Contributed Capital	—	796
Amortization	45	36
Depreciation	1,147	918
Loss on Sale of Fixed Assets	54	17
Working Capital Provided by Operations	42,507	33,785
Sale of Fixed Assets	30	—
Increase in Long-Term Bonds Payable	300,081	191,304
Total Sources of Working Capital	342,618	225,089
Uses of Working Capital:		
Acquisition of Property, Plant, and Equipment	2,004	1,531
Increase in Bond Issuance Expense	285	249
Increase in Systems Development Cost	128	42
Total Uses of Working Capital	2,417	1,822
Net Increase in Working Capital	$340,201	$223,267
Elements of Net Increase in Working Capital:		
Cash and Investments	$ 15,741	$ (79,570)
Receivables	304,109	57,476
Securities	(32,903)	193,730
Inventories	(724)	2,960
Prepaid Expenses	665	(512)
Payables, Deposits, and Other Liabilities	60,688	52,213
Deferred Revenue	(724)	(343)
Due to Program Participants	(396)	2,151
Escrows	(6,255)	(4,838)
Net Increase in Working Capital	$340,201	$223,267

The accompanying notes are an integral part of this financial statement.

Notes to Financial Statements

Notes to Financial Statements

June 30, 1984

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformance with generally accepted accounting principles as prescribed by the National Council on Governmental Accounting (NCGA) and the Financial Accounting Standards Board (FASB), except as indicated in note 10 regarding lease-purchase agreements.

For financial reporting purposes, the Commonwealth of Virginia includes all funds and account groups, and all agencies, boards, commissions, and authorities that are controlled by, or are dependent upon, the Commonwealth and whose financial transactions are recorded in the State accounting system or included through year-end adjustments.

B. Fund Structure

The accompanying financial statements are presented in five classifications of funds and two account groups. The fund classifications include governmental funds, proprietary funds, fiduciary funds, the Higher Education Fund, and Public Benefit Corporations. Account groups are presented for general fixed assets and general long-term obligations. The fund classifications and a description of each existing fund type and account group follow:

1. **Governmental Funds**

Transactions related to the acquisition, use, and balances of the government's expendable financial resources received and used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in governmental funds. The governmental fund measurement focus is on determination of financial position and related changes thereto, rather than on income determination. Governmental funds include:

a. **General Fund**—Reflects transactions related to resources received and used for those services traditionally provided by a state government, which are not accounted for in any other fund. These services include general government, legislative, public safety, judicial, health and mental health, human resources, licensing and regulation, and primary and secondary education.

b. **Special Revenue Funds**—Reflect transactions related to resources received and used for restricted or specific purposes. The Special Revenue Fund includes transactions related to resources used in support of public health services, welfare costs, agriculture, state park services, and highway maintenance and construction.

c. **Debt Service Funds**—Reflect transactions related to resources retained and used for the payment of interest and principal on those long-term debt obligations recorded in the General Long-Term Obligations Account Group.

d. **Capital Projects Funds**—Reflect transactions related to resources received and used for the acquisition, construction, or improvement of governmental fund capital facilities.

2. **Proprietary Funds**

Transactions related to those commercial activities that a state government operates are accounted for in the proprietary funds. These funds differ from governmental funds in that the focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

a. **Enterprise Funds**—Reflect transactions related to resources received and used for the financing of self-supporting activities of the Commonwealth that offer products and services on a user-charge basis to the general public. This fund reflects the activities of:

- The Department of Alcoholic Beverage Control (ABC), which operates facilities for the distribution and sale of distilled spirits and wine to the general public, and enforces the Commonwealth's alcoholic beverage statutes;
- The Virginia Industries for the Blind, a unit within the Virginia Department for the Visually Handicapped, which manufactures products for sale to federal, state, and local governments, certain private organizations, and the general public; and,
- The gift shop and food services activities of the Virginia Museum of Fine Arts.

b. **Internal Service Funds**—Reflect transactions related to the financing and sale of goods or services provided by agencies of the Commonwealth to other agencies and institutions of the Commonwealth. The goods and services furnished are charged to the recipient agency or institution on a cost-reimbursement basis.

3. **Fiduciary Funds**

Transactions related to assets held in a trust or agency capacity by the Commonwealth are accounted for in fiduciary funds. The Commonwealth's fiduciary funds include Pension Trust, Nonexpendable Trusts, Expendable Trusts, and Agency Funds as follows:

a. **Pension Trust Funds**—Reflect the transactions, assets, liabilities, and fund equities of Commonwealth-administered retirement systems (see Note 2);

b. **Nonexpendable Trust Funds**—Reflect the transactions, assets, liabilities, and fund equity of trusts whose principal must be maintained in-

tact and whose income is used to fund the activity. These trusts are at the Department of Corrections to provide certain inmate services; the Department of Agriculture to provide farm realty loans to low and moderate income farmers and the Virginia Museum of Fine Arts to support expendable trusts at the Museum by transferring investment income to these trusts.

c. **Expendable Trust Funds**—Reflect the transactions, assets, liabilities, and fund equity of trusts whose principal and income may be used for the purposes of the trust. These trusts include those for educational programs at museums, trusts to guarantee student loans, and funds for unemployment and workmen's compensation.

d. **Agency Funds**—Reflect amounts held in trust by the Commonwealth for others. Agency funds include those held in trust for sales tax deposits, employee withholdings, and medicaid payments.

4. **Account Groups**

Account groups are used to establish accounting control and accountability for the Commonwealth's general fixed assets, and the unmatured principal of its general long-term debt and other long-term obligations of governmental funds. General fixed assets do not represent financial resources available for appropriation and expenditure, nor does the unmatured principal of general long-term debt and other long-term obligations require current appropriation and expenditure of governmental fund financial resources.

a. **General Fixed Asset Account Group**—Accounts for general fixed assets that are not accounted for in the proprietary funds and similar trust funds, Higher Education Fund or the Public Benefit Corporations. The Commonwealth has developed and implemented a Statewide automated fixed assets accounting system, which facilitates the reporting of the Commonwealth's general fixed assets. Implementation of the system is not complete; however, the General Fixed Assets Account Group includes the majority of the land, buildings, and EDP equipment owned by the Commonwealth. In the opinion of management, these assets represent a materially significant percentage of the State's total capital assets.

b. **General Long-Term Obligations Account Group**—Accounts for obligations that are not recorded as current liabilities in governmental funds. These obligations include those that are backed by the full faith and credit of the Commonwealth—unmatured and unredeemed long-term general obligation bonds payable, estimated tax refunds payable, and obligations for accrued employee sick and vacation leave—as well as those obligations of the Virginia Public School Authority, Virginia Public Building Authority, and Virginia Port Authority which are not backed by the Commonwealth, but are included in the Commonwealth's reporting entity. Unmatured long-term debt relating to obligations of the proprietary funds and similar trust funds, Higher Education Fund and Public Benefit Corporations is accounted for within these funds.

5. **Higher Education Fund**

The Higher Education Fund reflects transactions related to resources received and used for the operation of the Commonwealth's institutions of higher education and related medical teaching hospitals.

6. **Public Benefit Corporations**—Reflect transactions related to entities which are not agencies of the State but are includable in the Commonwealth's financial reporting entity under NCGA Statement 3. The Commonwealth has no responsibility for the debt of these entities nor does the Commonwealth claim any right to the assets of these organizations. The following entities have been included as Public Benefit Corporations:

- Virginia International Terminals, Inc., which operates several marine terminals for the Virginia Port Authority;
- Virginia Housing Development Authority which is empowered by the Code of Virginia to finance housing intended for occupancy or ownership, or both, by families of low and moderate income; and,
- Virginia Education Loan Authority which is empowered by the Code of Virginia to provide loans to eligible students at institutions of higher education and vocational schools.

C. **Basis of Accounting for Funds**

Governmental Fund Types, Expendable Trusts, and Agency Funds—The accounts of the General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds are presented on a modified accrual basis. Under the modified accrual basis of accounting, revenues and other financial resources are recognized in the accounting period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. Material revenues susceptible to accrual include federal grants, and income and sales taxes. Expenditures and other uses of financial resources are recognized when the related liability is incurred, except for items that are not planned to be liquidated with current available resources.

Proprietary Fund Types, Pension and Nonexpendable Trusts, and Public Benefit Corporations—The accounts of these funds are presented on the accrual basis.

Higher Education Fund—The Higher Education Fund is presented on the modified accrual basis except for student and patient accounts receivable, which are presented on the accrual basis of accounting.

D. **Budget**—The Commonwealth's budget is prepared principally on a cash basis and represents appropriations as authorized by the Legislature. Accordingly, data presented for both budget and actual in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General and Special Revenue Funds is on a cash basis.

The following schedule summarizes the budget for the biennium according to Chapter 622, 1983 Acts of Assembly, as revised by Chapter 97, 1984 Acts of Assembly.

Analysis of General Fund Budget
(Dollars in Millions)

	1982-84 Biennium	Biennium Breakdown FY 1983	Biennium Breakdown FY 1984
Beginning Fund Balance:			
Operating	$ 113.0	$ 113.0	
Capital Outlay Reappropriations	57.5	57.5	
Total	170.5	170.5	$ 21.7
Add Estimated Revenues	6,396.1	3,027.3	3,368.8
Other Financing Sources	22.3	—	22.3
Total Available Funds	6,588.9	3,197.8	3,412.8
Less Appropriations (a)	(6,354.6)	(3,098.3)	(3,256.3)
Less Capital Outlay (b)	(186.7)	(77.8)	(108.9)
Ending Fund Balance	$ 47.6	$ 21.7	$ 47.6

(a) Appropriations consist primarily of operating expenditures and transfers to the Higher Education and Debt Service Funds.

(b) Approximately $27.9 and $13.6 million in planned capital outlay expenditures were restricted during fiscal 1983 and 1984, respectively, and are not included in this analysis.

Since the presentation of financial data on a cash basis differs from that presented under generally accepted accounting principles (GAAP), a schedule reconciling the fund balance on a cash basis at June 30, 1984, to the fund balance on a modified accrual basis follows:

Fund Balance Comparison
Cash Basis to GAAP Basis
(Dollars in Thousands)

Fund Balance, June 30, 1984:	
Cash Basis	$ 208,013
Add (Deduct)	
1984 Accrued Revenues:	
Taxes	184,876
Tax Refunds	(22,335)
Other Revenue	11,647
1984 Accrued Expenditures	(93,718)
Fund Balance, June 30, 1984:	
GAAP Basis	$288,483

Budget figures presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General and Special Revenue Funds reflect the budget figures according to Chapter 622, 1983 Acts of Assembly, as revised by Chapter 97, 1984 Acts of Assembly. The legally adopted budgets for General and Special Revenue Funds include expenditures related to debt service and capital projects. Appropriations for operating accounts are controlled at program level and generally lapse at year end.

E. **Inventories**—Inventoriable items in the governmental fund types are expensed when purchased except those accounted for in the special revenue funds for supplies of the Department of Highways and Transportation which are capitalized and expensed when consumed on an average cost basis. Inventories maintained by Public Benefit Corporations are stated at the lower of cost or fair value. Inventories of the Internal Service Funds are stated at the lower of cost or market using first in-first out methodology. The Department of Alcoholic Beverage Control and the Nonexpendable Trusts administered by the Department of Corrections maintain inventories at the lower of average cost or market. The Virginia Industries for the Blind maintains inventories at cost using first in-first out methodology.

F. **Receivables**—The following schedule details the accounts, loans, taxes, and other receivables presented in the various funds as of June 30, 1984. The amounts designated as "Allowance for Doubtful Accounts" and "Allowance for Uncollected Accounts," appear in brackets. As of June 30, 1984, the Commonwealth had gross taxes receivable of $298,057,693 of which $178,918,802 were associated with income taxes and sales taxes assessed in June, 1984. Of the remaining $119,138,891 balance of gross taxes receivable, $113,181,946 are not currently estimated to be collectible.

Schedule of Receivables
June 30, 1984
(Dollars in Thousands)

	Accounts & Loans (Allowance for Doubtful Accounts)	Taxes (Allowance for Uncollected Accounts)	Other	Total
General Fund	$ 6,617	$298,058	$ 684	$ 305,359
	(3,222)	(113,182)	—	(116,404)
	3,395	184,876	684	188,955
Special Revenue Funds	200,040	—	—	200,040
	(59,531)	—	—	(59,531)
	140,509	—	—	140,509
Enterprise Funds	2,033	—	—	2,033
	—	—	—	—
	2,033	—	—	2,033
Internal Service Funds	5,415	—	—	5,415
	(1,868)	—	—	(1,868)
	3,547	—	—	3,547
Trust and Agency Funds	292,876	—	52,791	345,667
	(13,669)	—	—	(13,669)
	279,207	—	52,791	331,998
Higher Education Funds	254,230	—	—	254,230
	(60,304)	—	—	(60,304)
	193,926	—	—	193,926
Public Benefit Corporations	1,591,507	—	32,022	1,623,529
	—	—	—	—
	1,591,507	—	32,022	1,623,529
Total Receivables (Net)	$ 2,214,124	$184,876	$ 85,497	$ 2,484,497

G. **Fixed Assets**—Governmental general fixed assets in the General Fixed Assets Account Group are stated at historical cost or, in some instances, the best estimates of historical cost. Infrastructures, including highways, bridges, and rights-of-way, are not capitalized. No depreciation expense is recognized in the governmental funds on general fixed assets recorded in the General Fixed Assets Account Group; however, accumulated depreciation is calculated and reflected in the General Fixed Assets Account Group in order to reflect the book value of those fixed assets. The schedule that follows shows the historical cost, accumulated depreciation, and book value of the General Fixed Assets:

General Fixed Assets Account Group
June 30, 1984
(Dollars in Thousands)

	Total Fixed Assets	Accumulated Depreciation	Net Fixed Assets
Land	$ 140,459	$ —	$ 140,459
Buildings	574,391	(181,596)	392,795
Equipment	9,701	(5,453)	4,248
Improvements other than Buildings	82,337	(32,190)	50,147
Construction in Progress	13,104	—	13,104
Total General Fixed Assets	$ 819,992	$ (219,239)	$ 600,753

The following schedule presents the changes in the General Fixed Assets Account Group by class:

Schedule of General Fixed Assets
(Dollars in Thousands)

	Balance July 1, 1983	Implemented and Acquired	Deleted	Balance June 30, 1984
Land	$ 101,325	$ 39,709	$ 575	$ 140,459
Buildings	374,225	200,166	—	574,391
Improvements Other than Buildings	82,044	293	—	82,337
Equipment	2,688	7,013	—	9,701
Construction in Progress	3,734	13,754	4,384	13,104
Total General Fixed Assets	$ 564,016	$ 260,935	$ 4,959	$ 819,992

The "Implemented and Acquired" column reflects both the recognition of general fixed assets purchased prior to July 1, 1983, but not reported in the recently developed fixed asset accounting system until fiscal year 1984, and the acquisition of general fixed assets during fiscal year 1984.

Fixed assets of the proprietary funds and similar trust funds, the Higher Education Fund, and Public Benefit Corporations are accounted for within those funds. The following schedule details the cost basis, method of depreciation, and estimated lives related to fixed assets in these funds:

Valuation Methods for Fixed Assets in the Proprietary and Similar Trust Funds, Higher Education Fund, and Public Benefit Corporations

Fund	Fixed Asset	Cost Basis	Depreciation Method	Estimated Life
Enterprise	Real Property and Equipment	Historical Cost	Straight-line	3-50 years
Internal Service	Real Property, Equipment, and Construction in Progress	Historical Cost	Straight-line, except for unit of production for vehicles operated by Central Garage	3-30 years
Trust and Agency	Equipment	Historical Cost	Straight-line	3-10 years
Higher Education	Real Property and Equipment	Historical Cost	Straight-line	3-50 years
Public Benefit Corporations	Real Property and Equipment	Historical Cost	Straight-line	3-25 years

The following schedule details the amounts for fixed assets not recorded in the General Fixed Assets Account Group:

Summary of Fixed Assets in Proprietary Funds, Fiduciary Funds, the Higher Education Fund, and Public Benefit Corporations
June 30, 1984
(Dollars in Thousands)

	Enterprise	Internal Service	Trust and Agency	Higher Education	Public Benefit Corporations
Land	$ 1,867	$ 255	$ —	$ 78,630	$ 537
Buildings	8,960	2,856	—	795,205	2,516
Less Accumulated Depreciation	(4,989)	(505)	—	(326,132)	(411)
Equipment	9,802	48,822	476	164,786	9,998
Less Accumulated Depreciation	(6,037)	(26,392)	(200)	(104,029)	(4,856)
Improvement Other than Buildings	—	24	—	22,553	—
Less Accumulated Depreciation	—	(1)	—	(3,725)	—
Construction in Progress	38	—	6,424	21,562	—
Net Fixed Assets	$ 9,641	$ 25,059	$ 6,700	$ 648,850	$ 7,784

H. **Investments**—Investments are principally comprised of monies held by the Virginia Supplemental Retirement System (VSRS) and the State Treasurer. The investments held by the State Treasurer are stated at cost, which approximates market value.

Investments held by VSRS, except for common stocks and real estate pool participations, are stated at cost or amortized cost. Common stocks are carried at the lower of cost or market. The cost of investments sold is the average cost of the aggregate holding of the specific investment sold. Real estate pool participations are carried at values adjusted to recognize VSRS's share of net income or loss in the period in which they are reported by the pools.

Investments held by the Public Benefit Corporations consist of certificates of deposit, savings accounts, bankers acceptances, U. S. Government Securities, short-term advances to banks, and securities guaranteed by the U. S. Government. Investments are carried at amortized cost rather than at the lower of cost or market, in that it is generally management's intention to hold them to maturity. All investments qualify as legal investments held by fiduciaries under the laws of the Commonwealth.

The following schedule details the investments reported in the various funds at June 30, 1984.

Schedule of Investments
June 30, 1984
(Dollars in Thousands)

	Trust and Agency	Higher Education	Public Benefit Corporations
Bonds	$1,282,558	$ 34,194	$ —
Stocks	1,719,304	149,181	—
Securities	315,683	21,890	682,135
Other Securities	150,630	41,552	—
Real Estate	200,988	—	—
Total Investments	$3,669,163	$246,817	$682,135

I. **Systems Development Cost**—In accordance with SFAS No. 2, the Virginia Education Loan Authority (VELA) capitalizes and amortizes over five years the research and development costs relating to the creation of its automated student loan servicing systems.

J. **Total Colums on Combined Statements**—The total colums on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present consolidated financial position, results of operations, or changes in financial position.

K. **Long-Term Liabilities**—Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group. Expenditures for principal and interest payments for governmental fund general obligation bonds and revenue-producing bonds are recognized in the Debt Service Fund when paid. Long-term liabilities expected to be financed from the proprietary funds, the Higher Education Fund, and the Public Benefit Corporations, as well as the related interest payments, are accounted for in those funds.

L. **Deferred Revenue**—Deferred revenue represents monies received but not yet earned as of June 30, 1984. The majority of this amount is reported in the Higher Education Fund, where it is primarily composed of student tuition fees received in advance of the semester.

M. **Encumbrances**—Encumbrances are not included in the accompanying financial statements because the Code of Virginia does not permit the continuance of spending authority beyond the balance sheet date.

N. **Loans Receivable From Proprietary Funds**—Long-term loans receivable in the General Fund (Loans Receivable From Proprietary Funds) represent working capital advances of $9,000,000 to the Enterprise Funds and $5,375,000 to the Internal Service Funds to finance inventories and/or to provide working capital. The liabilities associated with the working capital advances are reflected in the Enterprise Funds and Internal Service Funds as "Loans Payable to the General Fund."

During its 1984 Session, the General Assembly required that advances totaling $5,375,000 to the Internal Service Funds be repaid in equal installments over a period ranging from ten to fifteen years. The first repayments are to be made on July 31, 1984. The $9,000,000 advance to the Enterprise Fund represents the unpaid balance at June 30, 1984, of a $10,200,000 loan to the Department of Alcoholic Beverage Control. Payments in the amount of $1,000,000 are to be made each year until repayment is complete. Advances to all proprietary funds are not available for expenditure by the General Fund, and accordingly, the General Fund Balance has been reserved for these advances.

O. **Reserved Fund Balance**—Reserved Fund Balance indicates that portion of Fund Balance which is legally segregated for specific future use. The following schedule lists the amount and purpose for the reservation in each of the appropriate funds.

Schedule of Reserved Fund Balance
June 30, 1984
(Dollars in Thousands)

	General Fund	Special Revenue Fund	Trust and Agency	Higher Education
Reserved for Working Capital Advances	$ 14,375	$ —	$ —	$ —
Reserved for Deferred Charges	—	41,045	27	—
Reserved for Pension Benefits	—	—	3,459,475	—
Reserved as Collateral for Workmen's Compensation	—	—	4,289	—
Reserved for Inventory	—	—	—	3,423
Reserved for Other Assets	—	—	—	3,645
Reserved for State Student Loan Fund	—	—	—	1,672
Total Reserved Fund Balance	$ 14,375	$ 41,045	$3,463,791	$ 8,740

P. **Tax Refunds**—The estimate for refunds due taxpayers is calculated annually using statistical data derived from income taxes filed in previous years. Amounts to be refunded from current available resources have been included in the General Fund and apply to income tax returns for the calendar year 1983. Estimated refunds applicable to tax returns being filed for calendar year 1984 have been included in the General Long-Term Obligations Account Group, since refunds are generally made in the subsequent calendar year.

Q. **Contributed Capital**—Contributed Capital in the Internal Service Funds consists of $3,338,000 in general fund appropriations and $2,232,000 in contributed property and equipment. The property and equipment are recorded at historical cost.

2. **RETIREMENT AND PENSION SYSTEMS**—Employees participate in one of three contributory retirement systems. The Virginia Supplemental Retirement System provides retirement benefits to Commonwealth employees and teachers. The State Police Officers' Retirement System provides retirement benefits to Virginia State police officers, and the Judicial Retirement System provides retirement benefits to the Commonwealth's judges. All retirement systems are administered by the Virginia Supplemental Retirement System. Benefits provided include full retirement benefits, disability retirement benefits, death-in-service benefits and cost of living increases.

The retirement systems are contributory defined benefit pension plans. Covered employees contribute 5% of their creditable compensation, and earn interest at the rate of 4% credited annually on their accumulated contributions. Accumulated contributions plus interest earned are refundable to employees upon their termination. Employers contribute, at rates actuarially determined under the entry age normal cost method, such amounts as are necessary to sufficiently fund the annual normal costs, annual supplementary costs and past service costs within 40 years. Employers may also elect to pick-up and pay contributions for their employees in which case there are differences in the way contributions are handled for those members. Effective October 1, 1983, the Commonwealth began funding the employee share of the VSRS contribution as well as the employer share for eligible State employees.

The amount of assets and reserves to be provided by the employers through future contributions at June 30, 1984, was actuarially computed as of June 30, 1982, for State employees, teachers, State police officers and the judiciary, and as of June 30, 1983 for political subdivision employees. Pursuant to Section 51-111.22, Code of Virginia (1950), as amended, the next computation will be as of June 30, 1984 for State employees, teachers, State police officers, and the judiciary. The results of this computation will not be available before January, 1985.

The computation presents an estimate of the discounted present value of the prospective accrued liability for contributions that will have to be paid by employers in the future so that such contributions, together with the assets on hand and the normal contributions to be made in the future by employers and the members, will be sufficient to provide all of the System benefits to be paid in the future to present members and retired members of the System. The breakdown of the total present value of prospective accrued liability contributions is as follows:

To be paid by the Commonwealth on behalf of State employees	$1,018,509,000
To be paid by the Commonwealth and school boards on behalf of teachers	1,508,318,000
To be paid by political subdivisions on behalf of their employees	392,905,000
Subtotal	$2,919,732,000
To be paid by the Commonwealth on behalf of State police officers	20,027,000
To be paid by the Commonwealth on behalf of the Judiciary	29,274,000
Total	$2,969,033,000

The valuation method used by the actuary is the projected benefit method with level percentage entry-age normal cost and open-end unfunded accrued liability. Gains and losses are reflected in the unfunded accrued liability which is amortized by regular annual contributions as a level percentage of payroll within a 40 year period from each valuation. The more significant assumptions underlying the actuarial computations are an interest rate assumption of 6½%, and an inflation component of 4½% in the salary increase assumption. In addition, the actuarial cost method reflects the full costs of ancillary benefits in the level normal and accrued liability rates. These actuarial assumptions and methods were adopted by the Board of Trustees beginning with the June 30, 1980 computations. There were no changes in the assumptions and methods used by the actuary for the 1982 and 1983 valuations.

3. **COMPARABILITY WITH PRIOR YEARS**—At June 30, 1983, the liability associated with accrued employee sick, vacation, and compensatory leave was not included in the financial statements. For the fiscal year ended June 30, 1984, this liability has been included in the financial statements in accordance with NCGA Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgements and Compensated Absences." The June 30, 1983, fund equities for proprietary and similar trust

funds, the Higher Education Fund, and the Public Benefit Corporations have been restated to give retroactive effect to this change. However, it was not possible to determine the liability associated with the remaining fund groups at June 30, 1983, and accordingly, the June 30, 1983, fund equities have not been restated to provide the retroactive effect of this change for those fund groups.

4. ADJUSTMENTS TO FUND EQUITY—Prior to 1983, the Commonwealth's financial statements were presented on the basis of accounting adopted for budgeting purposes. Certain changes were made in the Commonwealth's reporting practices for the fiscal year ended June 30, 1983, to present the financial statements in accordance with generally accepted accounting principles. For the fiscal year ended June 30, 1984, additional changes were made and, accordingly, the 1983 memorandum totals have been restated to enhance the comparability between the two years.

The following schedule details the restatements made to Fund Equity as of June 30, 1983, to give retroactive effect to these changes:

5. ACCRUED VACATION AND SICK LEAVE POLICY—Each agency of the Commonwealth maintains records that reflect cumulative vacation and sick leave hours earned. Vacation and sick leave are accrued at the following rates:

Years of Service	Vacation Leave	Sick Leave
1 through 4	4 hours per semi-monthly pay period, to a maximum accumulation of 192 hours at the end of each calendar year	5 hours per semi-monthly pay period
5 through 9	5 hours per semi-monthly pay period, to a maximum accumulation of 240 hours at the end of each calendar year	5 hours per semi-monthly pay period
10 through 19	6 hours per semi-monthly pay period, to a maximum accumulation of 288 hours at the end of each calendar year	5 hours per semi-monthly pay period
20 and over	7 hours per semi-monthly pay period, to a maximum accumulation of 336 hours at the end of each calendar year	5 hours per semi-monthly pay period

Restatement of Beginning Fund Equity
(Dollars in Thousands)

	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Enterprise	Internal Service	Pension and Nonexpendable Trust	Higher Education	Public Benefit Corporations
Fund Equity, June 30, 1983, as previously reported	$104,289	$274,326	$ 42,125	$ 86,184	$549,643	$ 7,027	$ 28,430	$2,934,475	$ 698,422	$175,580
To record the cumulative effect of including institutional and endowment funds not previously recorded	—	—	—	—	—	—	—	—	318,269	—
To included certain organizations determined to be part of the reporting entity in accordance with NCGA Statement 3	—	—	—	—	957	347	—	—	—	11,925
To record the effect of including the Virginia Public School Authority Trust Fund	—	—	—	—	200,885	—	—	—	—	—
To record the effect of reclassifying activities previously recorded as Agency Funds	—	—	—	—	8	—	—	—	—	—
To reclassify activities as Agency Funds	—	—	—	—	(30,533)	—	—	—	—	—
To reclassify activities previously recorded as Expendable Trust Funds	—	—	—	—	(1,844)	—	—	—	1,844	—
To record the cumulative effect of including compensated absences in accordance with NCGA Statement 4	—	—	—	—	—	(4,647)	(1,059)	(182)	—	(300)
To record the effect of changing the accounting method for accrual of withholding tax	35,062	—	—	—	—	—	—	—	—	—
To record the effect of changing the accounting method for accrual of Highway Maintenance and Construction Fund Accounts Receivable	—	26,384	—	—	—	—	—	—	—	—
To record the effect of changing the accounting method for accrual of Medicaid Payments	12,106	—	—	—	—	—	—	—	—	—
Other Adjustments	(2,368)	67,345	(38)	(2,464)	(2,357)	1,237	(446)	(129)	—	—
Fund Equity, June 30, 1983, as adjusted	$149,089	$368,055	$ 42,087	$ 83,720	$716,759	$ 3,964	$ 26,925	$2,934,164	$1,018,535	$187,205

Employees who leave state service after a minimum of five years employment are permitted to receive 25 percent of the value of their accumulated sick leave at their current earnings rate, to a maximum of $2,500. All employees leaving state service are paid for accrued vacation leave at their current earnings rate. In conformance with NCGA Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the dollar amounts related to hours earned are included in the accompanying financial statements. The liability at June 30, 1984, was computed using salary rates effective June 30, 1984, and represents vacation, sick, and compensatory leave earned up to the allowable ceilings.

6. SEGMENT INFORMATION—ENTERPRISE FUNDS

The Commonwealth currently maintains two Enterprise Funds which are intended to be self-supporting through charges to users of their products and services. These Enterprise Funds are:

- The Department of Alcoholic Beverage Control (ABC), which operates facilities for the distribution and sale of distilled spirits and wine; and,
- The Virginia Industries for the Blind which manufactures products for sale to governments, certain private organizations, and the general public.

Additionally, the Commonwealth exercises oversight responsibilities for the gift shop and food services of the Virginia Museum of Fine Arts, which is an agency of the Commonwealth. Selected financial information by Enterprise Fund activity for the year ended June 30, 1984, is presented below:

Selected Segment Information
For the Year Ended June 30, 1984
(Dollars in Thousands)

	Department of Alcoholic Beverage Control	Virginia Industries for the Blind	Virginia Museum of Fine Arts Gift Shop and Food Services
Operating Revenues	$242,567	$ 4,256	$ 1,150
Depreciation Expense	1,132	21	—
Operating Income (Loss)	33,035	(114)	26
Net Operating Transfers Out	(32,047)	—	—
Net Nonoperating Revenues (Expenses)	(831)	311	12
Net Income	157	197	38
Property, Plant, and Equipment Additions	1,200	—	—
Net Working Capital	5,809	1,734	386
Total Assets	40,109	2,579	392
Total Liabilities	37,806	912	6
Total Equity	2,303	1,667	386

7. LONG-TERM INDEBTEDNESS

Commonwealth bonds, issued pursuant to Sections 9(b) and 9(c) of Article X of the Constitution of Virginia, are backed by the full faith, credit, and taxing power of the Commonwealth. Commonwealth of Virginia bonds are divided into two major groupings consisting of general obligation bonds authorized by the citizens of Virginia through bond referenda to finance capital projects, retired through the use of State appropriations, and bonds for financing capital projects which, when completed, will generate revenue to repay the debt. All of these bonds are callable after approximately ten years, from any available revenue, at the option of the Commonwealth of Virginia.

The following schedules detail the annual funding requirements necessary to amortize both 9(b) General Obligation and 9(c) Revenue Bonds. These bonds are the only bonds backed by the full faith, credit, and taxing power of the Commonwealth. Principal and interest requirements for the current year totaled $17,079,000 for 9(b) General Obligation and $22,938,269 for 9(c) Revenue Bonds.

GENERAL OBLIGATION BONDS
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1985	$ 6,575,000	$ 4,136,000	$ 10,711,000
1986	6,575,000	3,840,000	10,415,000
1987	6,575,000	3,544,000	10,119,000
1988	6,575,000	3,248,000	9,823,000
1989	6,575,000	2,952,000	9,527,000
1990	6,575,000	2,653,000	9,228,000
1991	6,575,000	2,351,000	8,926,000
1992	6,575,000	2,048,000	8,623,000
1993	6,575,000	1,742,000	8,317,000
1994	6,575,000	1,432,000	8,007,000
1995	6,575,000	1,118,000	7,693,000
1996	6,575,000	802,000	7,377,000
1997	6,575,000	483,000	7,058,000
1998	6,575,000	161,000	6,736,000
Total	$ 92,050,000	$ 30,510,000	$ 122,560,000

REVENUE BONDS
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1984	$ —	$ 1,632,124	$ 1,632,124
1985	6,560,000	18,792,363	25,352,363
1986	6,910,000	18,375,713	25,285,713
1987	7,935,000	17,905,694	25,840,694
1988	8,575,000	17,356,158	25,931,158
1989	9,310,000	16,746,410	26,056,410
1990	9,735,000	16,087,597	25,822,597
1991	10,550,000	15,379,215	25,929,215
1992	11,110,000	14,642,165	25,752,165
1993	56,850,000	13,902,196	70,752,196
1994	10,050,000	11,003,216	21,053,216
1995	9,955,000	10,294,339	20,249,339
1996	10,475,000	9,546,403	20,021,403
1997	9,915,000	8,736,628	18,651,628
1998	10,590,000	7,928,240	18,518,240
1999	11,385,000	7,044,502	18,429,502
2000	11,495,000	6,082,308	17,577,308
2001	12,530,000	5,077,527	17,607,527
2002	12,165,000	4,025,946	16,190,946
2003	9,465,000	3,004,145	12,469,145
2004	8,070,000	2,229,410	10,299,410
2005	5,400,000	1,716,585	7,116,585
2006	5,780,000	1,274,772	7,054,772
2007	5,860,000	814,560	6,674,560
2008	5,880,000	351,260	6,231,260
2009	910,000	106,110	1,016,110
2010	745,000	78,810	823,810
2011	772,000	56,460	828,460
2012	545,000	33,300	578,300
2013	565,000	16,950	581,950
Total	$270,087,000	$230,241,106	$500,328,106

A summary of changes in long-term debt issued pursuant to Sections 9(b) General Obligation Bonds and 9(c) Revenue Bonds for the year ended June 30, 1984, follows:

Schedule of Changes in Section 9(b) and 9(c) Long-Term Debt
For the Year Ended June 30, 1984

	July 1, 1983	Issuances	Retirements	June 30, 1984
Matured Debt Contained in Debt Service Fund	$ 372,279	$ —	$ —	$ 372,279
Unmatured Debt Contained in Long-Term Obligations Account Group:				
General Obligation Bonds	104,425,000	—	12,375,000	92,050,000
Revenue Bonds	104,000,000	—	—	104,000,000
Unmatured Debt Contained in Higher Education Fund	139,973,000	31,955,000	5,841,000	166,087,000
Total Long-Term Debt Payable	$348,770,279	$ 31,955,000	$ 18,216,000	$362,509,279

The Department of Alcoholic Beverage Control and the Department of Computer Services have incurred long-term debt with commercial institutions in connection with the purchase of equipment. At June 30, 1984, the outstanding balance on this debt was $9,292,860.

At fiscal year end, the Commonwealth estimates the refunds payable on withheld income taxes. Those refunds will be paid beginning in January 1985, out of collections made in fiscal year 1985, and accordingly, are reported in the Long-Term Obligations Account Group. At June 30, 1984, the amount of estimated tax refunds payable was $214,189,204.

The preceding paragraphs detail information on the bonds and other obligations backed by the full faith, credit and taxing power of the Commonwealth. The following paragraphs describe indebtedness that is not backed by the full faith and credit of the Commonwealth but is included in the financial statements.

Prior to 1970, the governing bodies of various State colleges and universities were empowered, with the approval of the Governor and the General Assembly, to issue debt backed solely by a pledge of the revenue from specific revenue-producing capital projects, such as dormitories, student centers, and dining halls. This debt falls under the provisions of Section 9(d) of Article X of the Constitution of Virginia. At June 30, 1984, the outstanding balance on this type of debt was $24,974,000. In addition, two other bond issues that fall under the provisions of Section 9(d) were issued after 1970. The bonds are for revenue-producing capital projects at the Medical College of Virginia Hospitals and Norfolk State University. At June 30, 1984, the outstanding balance of these two issues was $102,250,000. The following schedules detail the annual funding requirements necessary to amortize these bonds:

HIGHER EDUCATION BONDS
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1984	352,583	4,021,697	4,374,280
1985	4,785,685	7,920,102	12,705,787
1986	4,687,761	7,724,395	12,412,156
1987	6,672,900	7,525,523	14,198,423
1988	6,730,104	7,179,208	13,909,312
1989	6,997,374	6,813,775	13,811,149
1990	7,084,712	6,426,448	13,511,160
1991	6,302,122	6,031,235	12,333,357
1992	6,599,604	5,621,300	12,220,904
1993	6,803,161	5,180,540	11,983,701
1994	6,880,795	4,708,113	11,588,908
1995	5,298,509	4,264,389	9,562,898
1996	4,926,305	3,869,637	8,795,942
1997	4,519,186	3,511,707	8,030,893
1998	1,462,154	3,192,768	4,654,922
1999	1,179,211	3,057,061	4,236,272
2000	727,361	2,949,072	3,676,433
2001	825,606	2,885,765	3,711,371
2002	893,949	2,813,328	3,707,277
2003	972,393	2,734,371	3,706,764
2004	1,065,941	2,647,760	3,713,701
2005	1,159,597	2,552,505	3,712,102
2006	34,773,363	2,448,252	37,221,615
2007	2,907,242	357,118	3,264,360
2008	181,239	80,646	261,885
2009	185,357	74,316	259,673
2010	169,599	67,861	237,460
2011	193,970	61,278	255,248
2012	168,473	55,444	223,917
2013	173,111	50,355	223,466
2014	177,890	45,126	223,016
2015	182,814	39,753	222,567
2016	187,886	34,231	222,117
2017	193,111	28,555	221,666
2018	198,495	22,722	221,217
2019	209,041	16,726	225,767
2020	194,754	10,412	205,166
2021	200,642	4,525	205,167
Total	$127,224,000	$107,028,019	$234,252,019

The Virginia Port Authority has issued bonds and notes pursuant to powers provided to its Board of Commissioners by the Code of Virginia. The debt service on these obligations has been paid in whole or in part by the Commonwealth and by revenues of the Port Authority. This debt is not backed by the full faith and credit of the Commonwealth. At June 30, 1984, there were outstanding revenue bonds and long-term notes payable in the amount of $33,103,162. The following schedule details the funding requirements necessary to amortize these obligations:

VIRGINIA PORT AUTHORITY
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1985	$ 3,946,519	$ 2,401,831	$ 6,348,350
1986	4,118,038	2,165,403	6,283,441
1987	4,303,294	1,918,683	6,221,977
1988	4,455,022	1,649,004	6,104,026
1989	3,200,641	1,382,440	4,583,081
1990	3,206,966	1,210,882	4,417,848
1991	2,449,644	910,940	3,360,584
1992	1,577,540	697,054	2,274,594
1993	1,536,671	557,984	2,094,655
1994	1,685,067	409,583	2,094,650
1995	1,848,718	243,562	2,092,280
1996	52,676	59,604	112,280
1997	56,934	55,346	112,280
1998	61,581	50,699	112,280
1999	66,584	45,696	112,280
2000	71,994	40,286	112,280
2001-2005	465,273	103,588	568,861
Total	$ 33,103,162	$ 13,902,585	$ 47,005,747

The Virginia Public School Authority issues bonds for which the proceeds are used to purchase bonds or other obligations issued by cities, counties, and towns of the Commonwealth to assist localities in financing school capital projects. The bonds are payable from the funds of the Authority and do not constitute a debt of the Commonwealth. At June 30, 1984, $202,450,000 of Authority bonds were outstanding.

The following schedule details the annual funding requirements necessary to amortize these bonds:

VIRGINIA PUBLIC SCHOOL AUTHORITY
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1984	$ 17,265,000	$ 6,869,822	$ 24,134,822
1985	16,570,000	12,116,956	28,686,956
1986	15,560,000	11,093,087	26,653,087
1987	15,535,000	10,126,227	25,661,227
1988	15,540,000	9,160,664	24,700,664
1989	15,040,000	8,217,829	23,257,829
1990	15,040,000	7,297,909	22,337,909
1991	13,785,000	6,377,941	20,162,941
1992	12,905,000	5,496,519	18,401,519
1993	11,910,000	4,677,909	16,587,909
1994	11,165,000	3,908,521	15,073,521
1995	9,500,000	3,174,565	12,674,565
1996	8,290,000	2,533,706	10,823,706
1997	7,065,000	1,969,539	9,034,539
1998	5,445,000	1,469,937	6,914,937
1999	3,915,000	1,052,956	4,967,956
2000	2,970,000	722,555	3,692,555
2001	2,145,000	453,168	2,598,168
2002	1,860,000	253,083	2,113,083
2003	945,000	86,940	1,031,940
Total	$202,450,000	$ 97,059,833	$299,509,833

The Virginia Public Building Authority issues bonds for the purpose of acquiring buildings to be leased by agencies of the Commonwealth. The bonds are payable from the funds of the Authority and are not the debt or pledge of the faith and credit of the Commonwealth. At June 30, 1984, $108,250,000 of Authority bonds were outstanding. The following schedule details the annual funding requirements necessary to amortize these bonds:

VIRGINIA PUBLIC BUILDING AUTHORITY
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1984	$ —	$ 4,756,920	$ 4,756,920
1985	2,330,000	9,449,765	11,779,765
1986	2,470,000	9,311,590	11,781,590
1987	2,625,000	9,152,178	11,777,178
1988	2,810,000	8,971,325	11,781,325
1989	3,010,000	8,768,930	11,778,930
1990	3,240,000	8,542,195	11,782,195
1991	3,490,000	8,289,695	11,779,695
1992	3,770,000	8,008,160	11,778,160
1993	4,085,000	7,693,803	11,778,803
1994	4,440,000	7,341,880	11,781,880
1995	4,835,000	6,945,077	11,780,077
1996	5,285,000	6,496,930	11,781,930
1997	5,785,000	5,995,888	11,780,888
1998	6,340,000	5,441,030	11,781,030
1999	6,955,000	4,825,982	11,780,982
2000	7,645,000	4,134,659	11,779,659
2001	8,420,000	3,361,531	11,781,531
2002	9,270,000	2,510,200	11,780,200
2003	10,205,000	1,572,966	11,777,966
2004	11,240,000	540,925	11,780,925
Total	$108,250,000	$132,111,629	$240,361,629

The Virginia Housing Development Authority (VHDA) and the Virginia Education Loan Authority (VELA) issue bonds as part of their activities. This debt is not backed by the full faith and credit of the Commonwealth, and does not constitute a liability of the Commonwealth. At June 30, 1984, the outstanding long-term debt of the organizations was $1,604,270,000 and $366,452,171, respectively. The following schedules detail the annual funding requirements necessary to amortize bonds issued by VHDA and VELA:

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
Principal Requirements to Maturity
As of June 30, 1984

Maturity	*Principal
1985	$ 41,088,000
1986	47,809,000
1987	51,368,000
1988	53,387,000
1989	53,641,000
1990-2022	1,584,240,000
Less: Unamortized Discounts and Premiums	(227,263,000)
Total	$1,604,270,000

*Interest payments for VHDA are not available.

VIRGINIA EDUCATION LOAN AUTHORITY
Debt Service Requirements to Maturity
As of June 30, 1984

Maturity	Principal	Interest	Total
1985	24,135,000	28,604,831	52,739,831
1986	26,815,000	26,794,895	53,609,895
1987	31,780,000	24,806,406	56,586,406
1988	34,600,000	22,356,706	56,956,706
1989	34,735,000	19,634,040	54,369,040
1990	32,595,000	16,874,685	49,469,685
1991	34,415,000	14,000,419	48,415,419
1992	27,610,000	11,532,442	39,142,442
1993	22,945,000	9,272,010	32,217,010
1994	17,020,000	7,443,221	24,463,221
1995	9,600,000	6,117,647	15,717,647
1996	4,070,000	5,452,448	9,522,448
1997	40,115,000	3,600,419	43,715,419
1998	—	1,998,900	1,998,900
1999	33,315,000	999,450	34,314,450
Less: Unamortized Discounts and Issuance Expenses	(7,297,829)	—	(7,297,829)
Total	$366,452,171	$199,488,519	$565,940,690

The following schedule summarizes the changes in long-term obligations reflected in the General Long-Term Obligations Account Group:

Schedule of Changes in Long-Term Obligations
(Dollars in Thousands)

	(Restated) Balance July 1, 1983	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 1984
Long-Term Obligations Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Article X, Section 9(b) and 9(c) Bonds:				
Higher Educational and Mental Hospital Institutional Bonds, Series 1969	$ 5,800	$ —	$ 5,800	$ —
Transportation Facilities Bonds, Series 1973	47,000	—	—	47,000
Public Facilities Bonds, Series 1978	98,625	—	6,575	92,050
Transportation Facilities Bonds, Series 1982	57,000	—	—	57,000
Total Section 9(b) and 9(c) Bonds	208,425	—	12,375	196,050
Other Long-Term Obligations:				
Estimated Tax Refunds Payable on Withheld Income Taxes	190,723	214,189	190,723	214,189
Long-Term Portion of the Liability for Compensated Absences	—	110,793	—	110,793
Total Long-Term Obligations Bearing the Pledge of the Full Faith and Credit of the Commonwealth	399,148	324,982	203,098	521,032
Long-Term Debt Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Virginia Port Authority Long-Term Debt	27,357	13,249	7,503	33,103
Virginia Public School Authority Bonds	200,490	18,660	16,700	202,450
Virginia Public Building Authority Long-Term Debt	—	108,250	—	108,250
Total Long-Term Debt Not Bearing the Full Faith and Credit of the Commonwealth	227,847	140,159	24,203	343,803
Total General Long-Term Obligations Account Group	$626,995	$465,141	$227,301	$864,835

8. DUE TO/FROM OTHER FUNDS

Interfund advances of $50,651,923 due to the Special Funds are composed of temporary advances made to other funds. These advances carried accrued interest of $402,232 at June 30, 1984, which is included in the financial statement as accrued interest payable to the General Fund. The purpose of these advances is to provide resources to initiate programs funded in whole or in part by the federal government, or to fund approved construction projects in anticipation of permanent financing. Amounts due to the General Fund represent quarterly ABC profits and taxes to be transferred from the Enterprise fund.

Amounts Due to/from other funds at June 30, 1984, are as follows:

Schedule of Interfund Advances
June 30, 1984
(Dollars in Thousands)

Fund	Due from Other Funds	Due to Special Fund	Due to General Fund
General	$ 7,850	$ 2,245	$ —
Special Revenue	50,652	18,926	—
Enterprise	—	8,737	7,850
Higher Education	—	20,744	—
Total	$58,502	$50,652	$7,850

9. REPORTING ENTITY

In compliance with NCGA Statement 3, "Defining the Governmental Reporting Entity," the Commonwealth has included in the general purpose financial statements several organizations which meet the criteria established by Statement 3. These are the:

- Virginia Education Loan Authority (VELA)
- Virginia Housing Development Authority (VHDA)
- Virginia Public Building Authority (VPBA)
- Virginia International Terminals, Inc. (VIT)
- Virginia Public School Authority (VPSA) and
- Institutional and Endowment Funds of State-supported institutions of higher education.

The criteria for inclusion was determined on the basis of accountability for fiscal matters, designation of management, ability to significantly influence operations, selection of governing authority, scope of public service, and any special relationships. The inclusion of an organization in no way alters the defined prerogatives of the management of the organization, the organization's charter, statutory authority, or legal characteristics or conditions. VELA, VHDA, and VIT have been audited by independent certified public accounting firms and the amounts reported are based solely on the audited reports provided by those organizations. The VPBA and VPSA have been audited by the Auditor of Public Accounts of the Commonwealth of Virginia.

The Commonwealth has no responsibility for any debt of these organizations nor does the Commonwealth claim any right to the assets of these organizations. Selected segment information is provided in the schedule below for these organizations:

Reporting Entity
Selected Segment Information
For the Year Ended June 30, 1984
(Dollars in Thousands)

	Public Benefit Corporations			Other Entities		
	Virginia Education Loan Authority	Virginia Housing Development Authority	Virginia International Terminals, Inc.	Virginia Public Building Authority	Virginia Public School Authority	Higher Education Institutional and Endowment Funds
Operating Revenues	$ 52,648	$ 167,148	$ 34,641	$ 135	$ 61,850	$ 169,912
Depreciation Expense	111	141	895	—	—	—
Operating Income (Loss)	13,084	26,917	1,173	(4,388)	13,127	(15,632)
Net Nonoperating Revenues (Expenses)	87	—	—	—	—	—
Net Income	13,171	26,917	1,173	(4,388)	13,127	(15,632)
Property, Plant and Equipment Additions	232	205	1,567	—	—	—
Total Assets	503,479	1,853,463	16,306	104,769	425,464	482,118
Total Liabilities	448,641	1,692,633	3,508	109,157	—	128,832
Total Equity	54,838	160,830	12,798	(4,388)	425,464	353,286

10. COMMITMENTS AND CONTINGENCIES

A. **Leases**—The Commonwealth has entered into various leases for land, buildings, and equipment. All leases contain termination clauses providing for cancellation within certain time frames after written notice to lessors. In addition, all leases contain non-appropriation clauses indicating that continuation of the lease is subject to funding by the Legislature. It is expected that, in the normal course of business, most of these leases will be replaced by similar leases. For the current fiscal year, all lease payments were expensed. Information necessary for additional disclosures for rents, capital and operating leases, leasing transactions between related parties, and disclosures by lessors is not currently available.

B. **Grants and Contracts**—The Commonwealth has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlements to the resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Commonwealth.

Institutions of higher education and other State agencies are required to comply with various federal regulations issued by the Office of Management and Budget, if such agencies are recipients of federal grants, contracts, or other sponsored agreements. Certain agencies within the Commonwealth may not be in total compliance with these regulations. Failure to have complied with certain systems requirements of these regulations may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. We believe that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the Commonwealth.

C. **Litigation**—The Commonwealth is named as a party in legal proceedings that occur in the normal course of governmental operations, some involving substantial amounts. One such suit, against the Virginia State Department of Health and the Department of Social Services, involved a Medicaid eligibility rule and its legality. The merits of the rule have been litigated and the courts have ruled against the Commonwealth. All appeals have been exhausted and court orders will be implemented. At prior times during the litigation, the Commonwealth has estimated the potential loss to be of a material amount.

The Commonwealth, its officials and employees are also defendants in numerous other lawsuits, many of which seek recovery of monetary damages of an unspecified amount. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Commonwealth in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits will not have a material, adverse effect on the financial condition of the Commonwealth.

General Fund

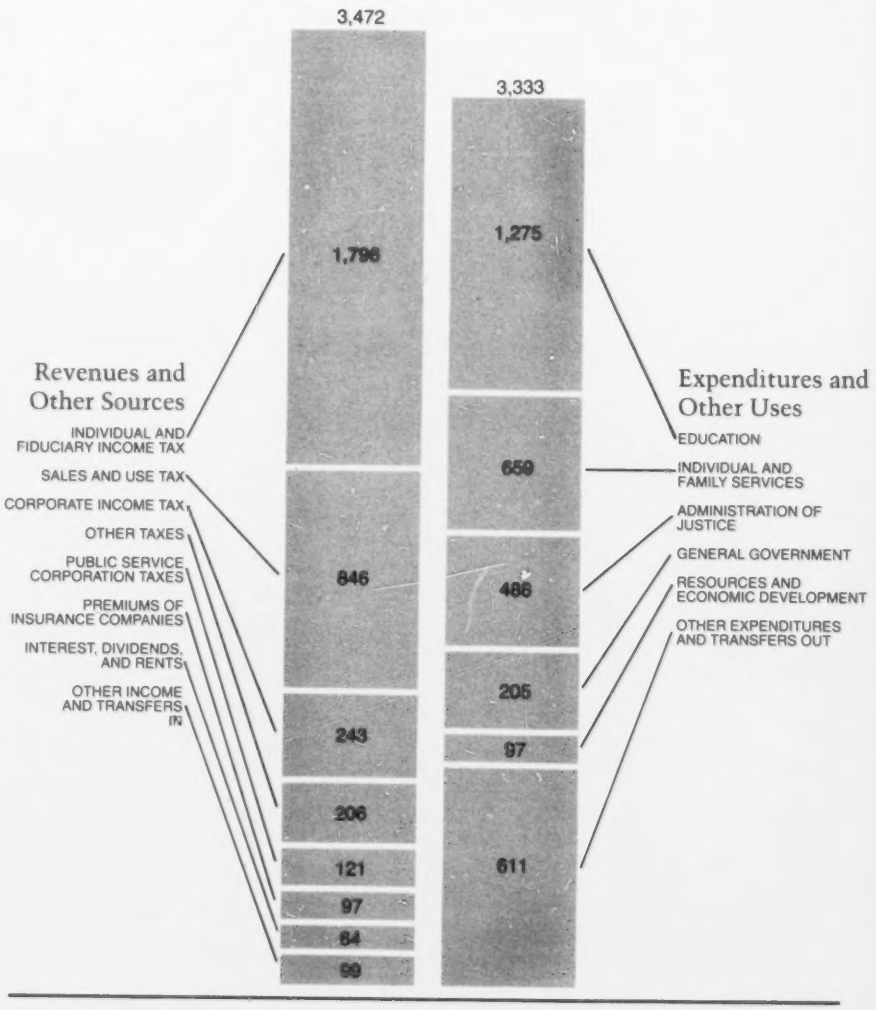
The General Fund accounts for all resources received and used for services traditionally provided by a state government. These services include general government, legislative, public safety, judicial, licensing and regulation, and any other services not accounted for in another fund.

Analysis

The graph at the right provides a breakdown of General Fund revenues and expenditures for the year ended June 30, 1984, on the modified accrual basis of accounting. Under this basis, total revenues and other sources exceeded expenditures and other uses by $139 million in 1984.

Revenues and other sources increased $311 million over the prior year, or 9.8%, primarily as a result of increases of $276 million in individual and fiduciary income taxes and $58 million in sales and use taxes. Expenditures and other uses increased $34 million over the prior year, or 1.0%, primarily as a result of increases of $119 million in education, $49 million in general government expenditures, and $10 million in the administration of justice.

General Fund
Revenues and Expenditures
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Balance Sheet
General Fund

June 30, 1984
(Dollars in Thousands)

	June 30, 1984	June 30, 1983
Assets		
Cash and Investments	**$192,605**	$ 26,640
Petty Cash and Travel Advances	**3,532**	3,631
Taxes Receivable (Net)	**184,876**	111,121
Loans and Accounts Receivable (Net)	**3,395**	991
Accrued Interest Receivable	**403**	2,151
Due from Other Funds	**7,850**	63,672
Other Receivables	**281**	959
Loans Receivable from Proprietary Funds	**14,375**	15,375
Other Assets	**—**	428
Total Assets	**$407,317**	$224,968
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	**$ 32,930**	$ 48,013
Tax Refunds Payable	**22,336**	20,109
Amounts Due Localities	**60,788**	52,003
Deposits Pending Distribution	**264**	292
Due to Other Funds	**2,245**	—
Deferred Revenue	**271**	262
Total Liabilities	**118,834**	120,679
Fund Balance:		
Reserved for Loan to VIMS	**—**	5,795
Reserved for Working Capital Advances	**14,375**	14,375
Unreserved:		
Designated	**112,417**	81,715
Undesignated	**161,691**	2,404
Total Fund Balance	**288,483**	104,289
Total Liabilities and Fund Balance	**$407,317**	$224,968

See Notes to the Financial Statements.

Statement of Revenues, Expenditures, and Changes in Fund Balance General Fund

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Year Ended June 30, 1984	Year Ended June 30, 1983
Revenues:		
Taxes	$3,309,692	$2,845,501
Rights and Privileges	18,497	13,028
Sales of Property and Commodities	1,839	245
Assessments and Receipts for Support of Special Services	676	742
Institutional Revenue	2,522	4,032
Interest, Dividends, and Rents	63,688	69,086
Fines, Forfeitures, Court Fees, Penalties, and Escheats	28,005	26,103
Federal Grants, Contracts, and Revenue Sharing	16	89
Receipts from Cities, Counties, and Towns	846	518
Private Donations, Gifts, and Contracts	1	11
Other	8,294	8,996
Total Revenues	3,434,076	2,968,351
Expenditures:		
General Government	205,013	155,920
Education	1,274,866	1,156,261
Transportation	6,567	7,221
Resources and Economic Development	97,468	91,431
Individual and Family Services	658,501	657,430
Administration of Justice	485,597	476,020
Enterprises	6,427	4,991
Total Expenditures	2,734,439	2,549,274
Revenues over Expenditures	699,637	419,077
Other Financing Sources (Uses):		
ABC Profit Transfers	25,899	29,539
Appropriation Act Transfers	11,831	23,680
Operating Transfers In	213	139,618
Operating Transfers Out	(593,091)	(749,313)
Other Sources (Uses)	(5,095)	250
Total Other Financing Sources (Uses)	(560,243)	(556,226)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	139,394	(137,149)
Fund Balance, July 1, as adjusted (Note 4)	149,089	241,438
Fund Balance, June 30	$ 288,483	$ 104,289

See Notes to the Financial Statements.

Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual—Budgetary Basis General Fund

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Individual and Fiduciary Income	$1,740,200	$1,770,730	$ 30,530
Sales and Use	820,000	835,497	15,497
Corporation Income	250,000	242,707	(7,293)
Public Service Corporations	126,100	121,513	(4,587)
Premiums of Insurance Companies	91,500	97,014	5,514
Other Taxes	183,000	205,786	22,786
Total Taxes	3,210,800	3,273,247	62,447
Rights and Privileges	17,200	17,432	232
Sales of Property and Commodities	1,300	1,846	546
Assessments and Receipts for Support of Special Services	700	754	54
Institutional Revenue	3,600	3,040	(560)
Interest, Dividends, and Rents	57,100	65,175	8,075
Fines, Forfeitures, Court Fees, Penalties, and Escheats	26,200	27,894	1,694
Federal Grants, Contracts, and Revenue Sharing	—	16	16
Receipts from Cities, Counties, and Towns	1,000	873	(127)
Other	13,600	7,434	(6,166)
Total Revenues	3,331,500	3,397,711	66,211
Expenditures:			
General Government	315,468	203,212	112,256
Education	1,237,725	1,270,869	(33,144)
Transportation	6,363	6,571	(208)
Resources and Economic Development	93,117	97,262	(4,145)
Individual and Family Services	643,971	657,749	(13,778)
Administration of Justice	427,731	488,987	(61,256)
Enterprises	4,983	6,400	(1,417)
Total Expenditures	2,729,358	2,731,050	(1,692)
Revenues over (under) Expenditures	602,142	666,661	64,519
Other Financing Sources (Uses):			
ABC Profit Transfers	24,800	26,293	1,493
Appropriation Act Transfers	12,500	11,882	(618)
Net Operating Transfers:			
Higher Education Fund (Educational and General)	(523,067)	(519,950)	3,117
Debt Service Fund	(3,847)	(6,070)	(2,223)
Other Authorized Operating Transfers	—	(2,867)	(2,867)
Capital Outlay Transfers	(108,965)	(64,726)	44,239
Other Sources	22,345	(5,095)	(27,440)
Total Other Financing Sources (Uses)	(576,234)	(560,533)	15,701
Revenues and Other Sources Over (Under) Expenditures and Other Uses	25,908	106,128	80,220
Fund Balance, July 1	21,700	101,885	80,185
Fund Balance, June 30 (Note 1)	$ 47,608	$ 208,013	$ 160,405

See Notes to the Financial Statements.

Special Revenue Funds

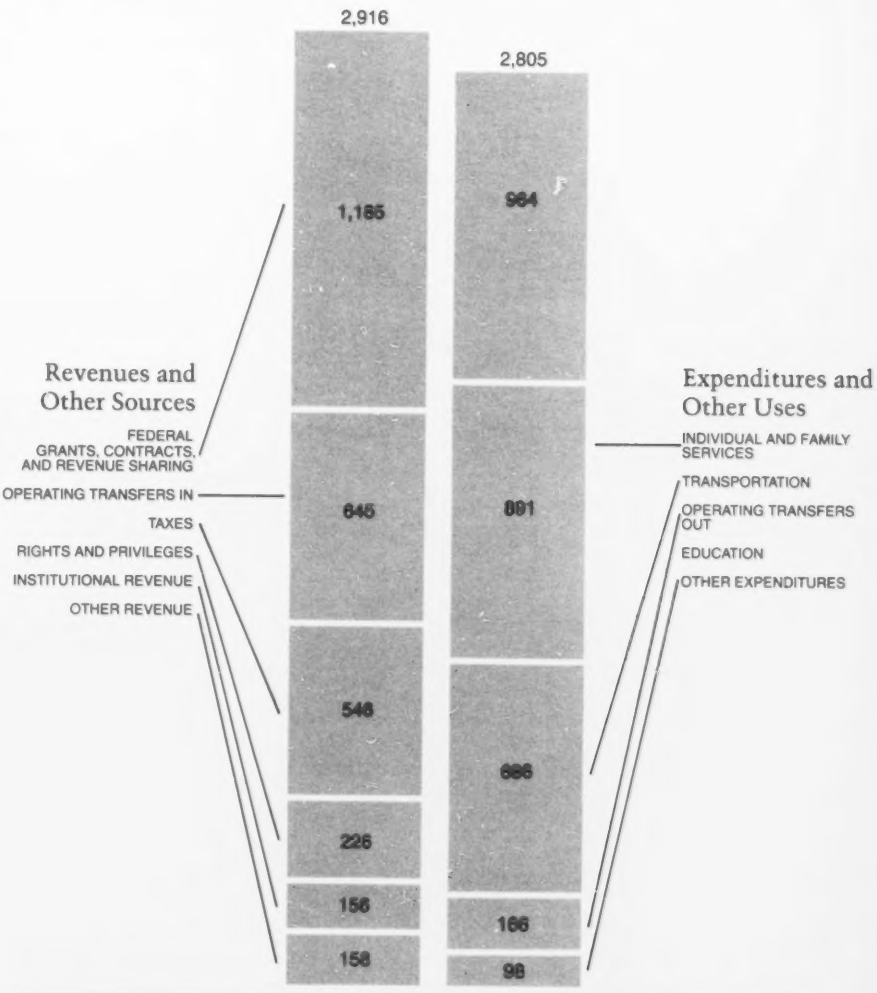
The Special Revenue Funds are maintained to account for those resources which are restricted to finance particular functions or activities of the Commonwealth. These activities include public health services, highway maintenance and construction, welfare services, port facilities, and state park services.

Analysis

The graph at the right provides a breakdown of Special Revenue Funds revenues and other sources and expenditures and other uses for the year ended June 30, 1984, on the modified accrual basis of accounting. Total revenues and other sources exceeded total expenditures and other uses by $111 million in 1984.

Revenues and other sources increased primarily as a result of increases of $105 million in federal grants, contracts, and revenue sharing, $46 million in operating transfers, $52 million in tax revenues, and $33 million in other revenues. These increases were largely offset by increases in expenditures and other uses of $83 million in transportation, $62 million in individual and family services, and $52 million in operating transfers.

Special Revenue Funds
Revenues and Expenditures
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Combining Balance Sheet
Special Revenue Funds

June 30, 1984
(Dollars in Thousands)

	Highway Maintenance and Construction Fund	Other Special Revenue Funds	Totals June 30, 1984	Totals June 30, 1983
Assets				
Cash and Investments	$265,379	$ 83,398	**$348,777**	$212,658
Petty Cash and Travel Advances	823	318	**1,141**	1,153
Loans and Accounts Receivable (Net)	33,903	106,606	**140,509**	107,767
Due From Other Funds	—	50,652	**50,652**	—
Inventory, at Cost	26,337	—	**26,337**	26,975
Deferred Charges	41,045	—	**41,045**	17,711
Total Assets	$367,487	$240,974	**$608,461**	$366,264
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	$ 68,886	$ 40,736	**$109,622**	$ 88,082
Deposits Pending Distribution	449	190	**639**	428
Due to Other Funds	—	18,926	**18,926**	3,030
Deferred Revenue	—	87	**87**	398
Total Liabilities	69,335	59,939	**129,274**	91,938
Fund Balance:				
Reserved for Deferred Charges	41,045	—	**41,045**	17,711
Unreserved, Undesignated	257,107	181,035	**438,142**	256,615
Total Fund Balance	298,152	181,035	**479,187**	274,326
Total Liabilities and Fund Balance	$367,487	$240,974	**$608,461**	$366,264

See Notes to the Financial Statements.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Special Revenue Funds

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Highway Maintenance and Construction Fund	Other Special Revenue Funds	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
Revenues:				
Taxes	$ 534,952	$ 10,860	**$ 545,812**	$ 493,978
Rights and Privileges	167,654	58,024	**225,678**	218,265
Sale of Property and Commodities	—	3,712	**3,712**	3,503
Assessments and Receipts for Support of Special Services	—	10,142	**10,142**	11,183
Institutional Revenue	—	155,721	**155,721**	139,694
Interest, Dividends, and Rents	4	1,496	**1,500**	4,495
Fines, Forfeitures, Court Fees, Penalties, and Escheats	2,498	—	**2,498**	4,126
Federal Grants, Contracts, and Revenue Sharing	243,269	941,612	**1,184,881**	1,079,925
Receipts from Cities, Counties, and Towns	22,988	38,107	**61,095**	51,400
Private Donations, Gifts, and Contracts	—	847	**847**	797
Other	7,038	13,312	**20,350**	27,712
Total Revenues	978,403	1,233,833	**2,212,236**	2,035,078
Expenditures:				
General Government	4,285	3,482	**7,767**	5,417
Education	1,912	164,351	**166,263**	148,586
Transportation	865,061	26,182	**891,243**	807,486
Resources and Economic Development	1,581	72,924	**74,505**	76,964
Individual and Family Services	157	963,939	**964,096**	902,443
Administration of Justice	1,909	6,220	**8,129**	6,785
Enterprises	—	1,209	**1,209**	1,064
Total Expenditures	874,905	1,238,307	**2,113,212**	1,948,745
Revenues Over (Under) Expenditures	103,498	(4,474)	**99,024**	86,333
Other Financing Sources (Uses):				
Appropriation Act Transfers	(3,489)	(1,417)	**(4,906)**	(13,414)
Operating Transfers In	638,210	7,231	**645,441**	599,348
Operating Transfers Out	(641,592)	(44,787)	**(686,379)**	(633,517)
Trust Fund Receipts over Disbursements	—	57,413	**57,413**	21,251
Proceeds from Sale of Bonds	—	760	**760**	—
Other Sources (Uses)	—	(221)	**(221)**	244
Total Other Financing Sources (Uses)	(6,871)	18,979	**12,108**	(26,088)
Revenues and Other Sources Over Expenditures and Other Uses	96,627	14,505	**111,132**	60,245
Fund Balance, July 1, as adjusted (Note 4)	201,525	166,530	**368,055**	214,081
Fund Balance, June 30	$ 298,152	$ 181,035	**$ 479,187**	$ 274,326

See Notes to the Financial Statements.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual—Budgetary Basis Special Revenue Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Highway Fund		
	Budget	Actual	Variance
Revenues:			
Taxes	$ 480,868	$ 534,777	$ 53,909
Rights and Privileges	154,865	168,154	13,289
Sales of Property and Commodities	—	—	—
Assessments and Receipts for Support of Special Services	—	—	—
Institutional Revenue	—	—	—
Interest, Dividends, and Rents	—	4	4
Fines, Forfeitures, Court Fees, Penalties, and Escheats	2,709	2,498	(211)
Federal Grants, Contracts, and Revenue Sharing	312,905	243,268	(69,637)
Receipts from Cities, Counties, and Towns	14,000	22,988	8,988
Private Donations, Gifts, and Contracts	—	—	—
Other	9,533	7,038	(2,495)
Total Revenues	974,880	978,727	3,847
Expenditures:			
General Government	6,327	4,615	1,712
Education	2,016	1,917	99
Transportation	976,056	825,337	150,719
Resources and Economic Development	1,829	1,512	317
Individual and Family Services	160	160	—
Administration of Justice	1,965	1,915	50
Enterprises	—	—	—
Total Expenditures	988,353	835,456	152,897
Revenues Over (Under) Expenditures	(13,473)	143,271	156,744
Other Financing Sources (Uses):			
Appropriation Act Transfers	(2,602)	(2,602)	—
Operating Transfers—Other	—	—	—
Net Increase in Assets Held by Trustees	—	—	—
Capital Outlay Transfers	(3,382)	(3,382)	—
Trust Fund Receipts Over Disbursements	—	—	—
Other Source (Uses)	—	—	—
Total Other Financing Sources (Uses)	(5,984)	(5,984)	—
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(19,457)	137,287	156,744
Fund Balance, July 1	62,008	203,088	141,080
Fund Balance, June 30	$ 42,551	$ 340,375	$ 297,824

See Notes to the Financial Statements.

Other Special Revenue Funds			Total Special Revenue Funds		
Budget	Actual	Variance	Budget	Actual	Variance
$ 15,114	$ 10,742	$ (4,372)	$ 495,982	$ 545,519	$ 49,537
79,013	76,553	(2,460)	233,878	244,707	10,829
3,311	3,985	674	3,311	3,985	674
10,843	9,862	(981)	10,843	9,862	(981)
242,523	158,719	(83,804)	242,523	158,719	(83,804)
1,309	841	(468)	1,309	845	(464)
1,651	1,338	(313)	4,360	3,836	(524)
1,067,057	934,578	(132,479)	1,379,962	1,177,846	(202,116)
30,254	33,500	3,246	44,254	56,488	12,234
367	847	480	367	847	480
41,045	18,937	(22,108)	50,578	25,975	(24,603)
1,492,487	1,249,902	(242,585)	2,467,367	2,228,629	(238,738)
13,681	6,349	7,332	20,008	10,964	9,044
227,149	163,619	63,530	229,165	165,536	63,629
49,098	39,159	9,939	1,025,154	864,496	160,658
93,521	72,656	20,865	95,350	74,168	21,182
1,046,396	961,521	84,875	1,046,556	961,681	84,875
13,780	6,155	7,625	15,745	8,070	7,675
1,728	897	831	1,728	897	831
1,445,353	1,250,356	194,997	2,433,706	2,085,812	347,894
47,134	(454)	(47,588)	33,661	142,817	109,156
(990)	(990)	—	(3,592)	(3,592)	—
—	(4,036)	(4,036)	—	(4,036)	(4,036)
—	9,961	9,961	—	9,961	9,961
(15,193)	(15,193)	—	(18,575)	(18,575)	—
—	29,997	29,997	—	29,997	29,997
—	539	539	—	539	539
(16,183)	20,278	36,461	(22,167)	14,294	36,461
30,951	19,824	(11,127)	11,494	157,111	145,617
48,720	157,600	108,880	110,728	360,688	249,960
$ 79,671	$ 177,424	$ 97,753	$ 122,222	$ 517,799	$ 395,577

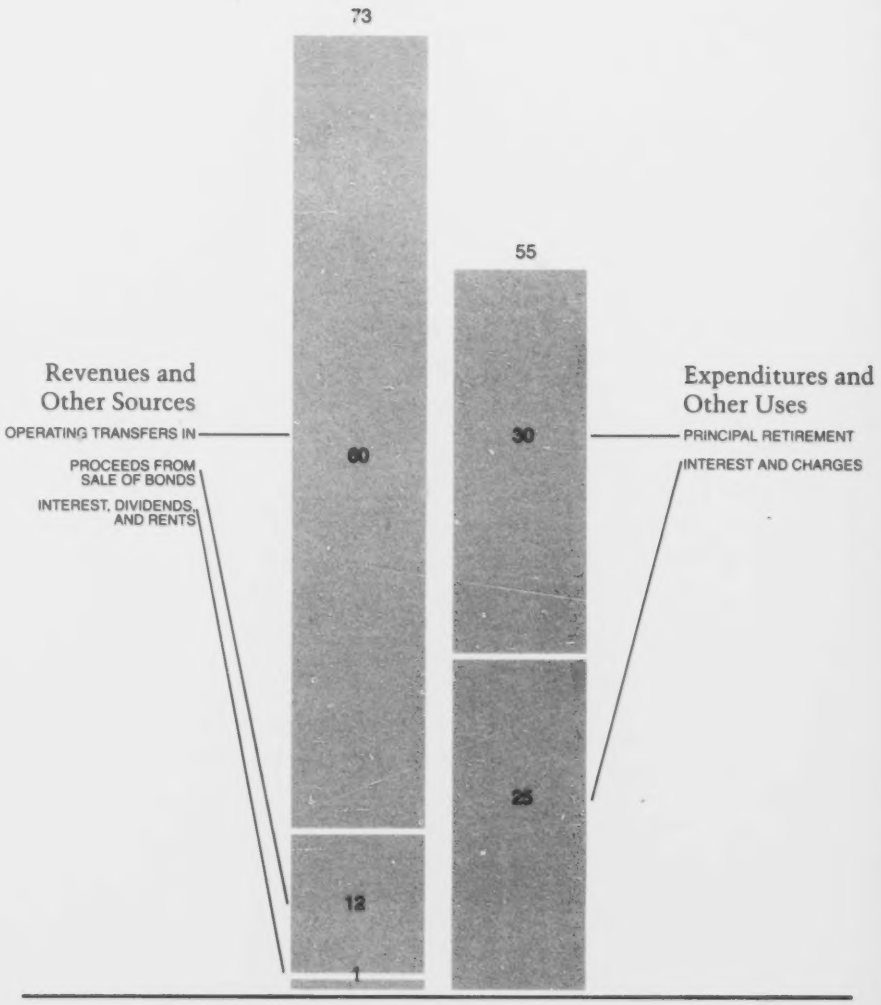
Debt Service Fund

The Debt Service Fund is maintained to account for the resources accumulated and used for the payment of interest and principal on long-term debt not reported in the proprietary fund types, the Higher Education Fund, or the Public Benefit Corporations.

Analysis

Debt service expenditures on the long-term debt reported in the General Long-Term Obligations Account Group are made through the Debt Service Fund. For the current year, principal payments on Section 9(b) general obligation and 9(c) revenue bonds, which are backed by the full faith and credit of the Commonwealth, amounted to $12.4 million. Resources to pay principal and interest on all types of long-term debt primarily came from transfers from the General Fund and income associated with Revenue Bond Capital Projects.

Debt Service Fund
Revenues and Expenditures
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Balance Sheet
Debt Service Fund

June 30, 1984
(Dollars in Thousands)

	June 30, 1984	June 30, 1983
Assets		
Cash and Investments	$60,688	$36,191
Cash with Fiscal Agent	6,000	12,417
Amount to be Provided for the Retirement of Matured Debt	372	372
Total Assets	$67,060	$48,980
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	$ 4	$ —
Matured Debt Payable	645	1,936
Matured Interest Payable	6,095	4,919
Total Liabilities	$ 6,744	$ 6,855
Fund Balance:		
Unreserved:		
Designated for:		
General Long-Term Obligation Bond Debt Service	60,316	42,125
Total Fund Balance	60,316	42,125
Total Liabilities and Fund Balance	$67,060	$48,980

See Notes to the Financial Statements.

Statement of Revenues, Expenditures, and Changes in Fund Balance Debt Service Fund

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Year Ended June 30, 1984	Year Ended June 30, 1983
Revenues:		
Interest, Dividends, and Rents	$1,247	$ 881
Total Revenues	1,247	881
Expenditures:		
Debt Service:		
Principal Retirement	29,832	28,530
Interest and Charges	25,101	37,117
Total Expenditures	54,933	65,647
Revenues Under Expenditures	(53,686)	(64,766)
Other Financing Sources (Uses):		
Operating Transfers In	60,134	83,096
Operating Transfers Out	—	(6,340)
Proceeds from Sale of Bonds	11,781	—
Total Other Financing Sources (Uses)	71,915	76,756
Revenues and Other Sources Over Expenditures and Other Uses	18,229	11,990
Fund Balance, July 1, as adjusted (Note 4)	42,087	30,135
Fund Balance, June 30	$60,316	$42,125

See Notes to the Financial Statements.

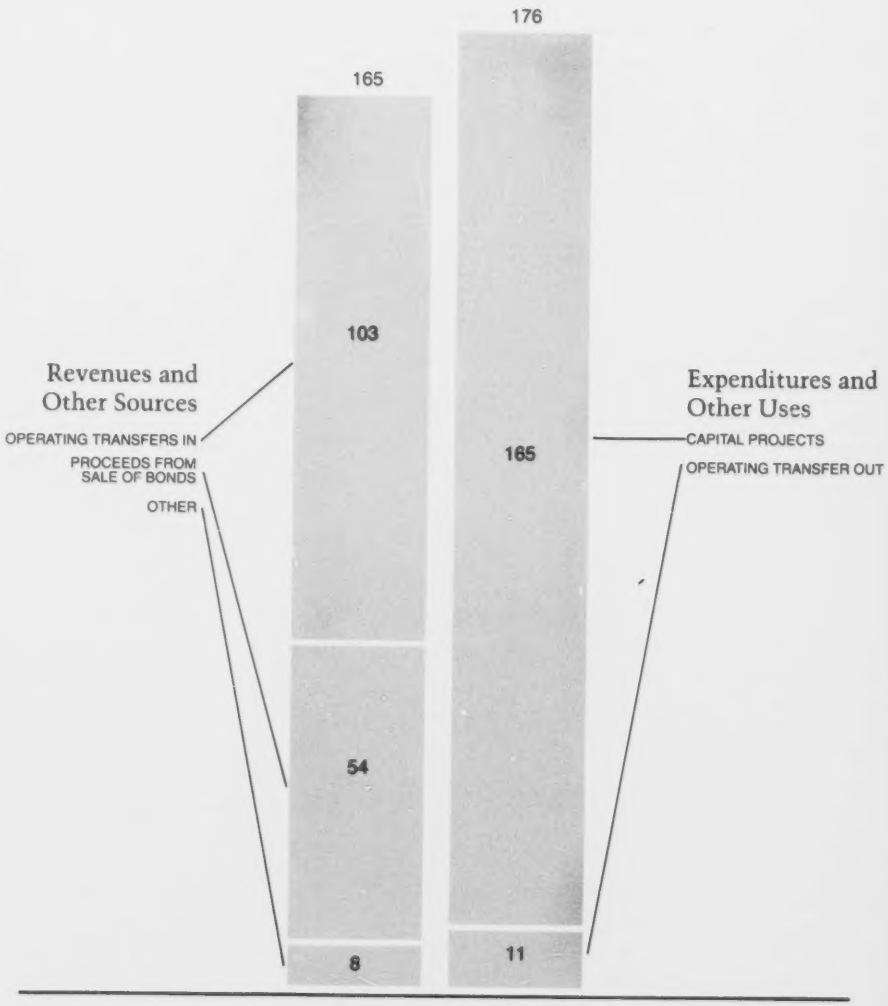
Capital Projects Fund

The Capital Projects Fund is maintained to account for resources received and used for the acquisition, construction, or improvement of certain major governmental general fixed assets financed principally by general obligation bonds or transfers from the General Fund. Capital projects, in general, are for correctional facilities, mental health institutions, parks, highways, and port facilities.

Analysis

In the Capital Projects Fund, revenues and other sources totaled $165.1 million. This is an increase of 2.3% over comparable figures for 1983. Expenditures and other uses, of $176.3 million, increased 32.6% from 1983. The net effect of revenues and other sources over expenditures and other uses was a reduction of $11.2 million in the Capital Projects fund balance.

Capital Projects Fund
Revenues and Expenditures
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Balance Sheet
Capital Projects Fund

June 30, 1984
(Dollars in Thousands)

	June 30, 1984	June 30, 1983
Assets		
Cash and Investments	$75,430	$96,655
Total Assets	$75,430	$96,655
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	$ 2,957	$ 4,532
Due to Other Funds	—	5,756
Total Liabilities	2,957	10,288
Fund Balance:		
Unreserved:		
Designated	72,473	90,899
Undesignated	—	(4,532)
Total Fund Balance	72,473	86,367
Total Liabilities and Fund Balance	$75,430	$96,655

See Notes to the Financial Statements.

Statement of Revenues, Expenditures, and Changes in Fund Balance Capital Projects Fund

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Year Ended June 30, 1984	Year Ended June 30, 1983
Revenues:		
Interest, Dividends, and Rents	$ 7,588	$ 7,469
Total Revenues	7,588	7,469
Expenditures:		
Capital Projects	165,209	82,245
Total Expenditures	165,209	82,245
Revenues Under Expenditures	(157,621)	(74,776)
Other Financing Sources (Uses):		
Appropriation Act Transfers	(129)	—
Operating Transfers In	54,483	86,888
Operating Transfers Out	(11,007)	(50,761)
Trust Fund Receipts Over Disbursements	—	7,945
Proceeds from Sale of Bonds	103,027	57,000
Other Sources	—	2,074
Total Other Financing Sources	146,374	103,146
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(11,247)	28,370
Fund Balance, July 1, as adjusted (Note 4)	83,720	57,997
Fund Balance, June 30	$ 72,473	$ 86,367

See Notes to the Financial Statements.

Enterprise Funds

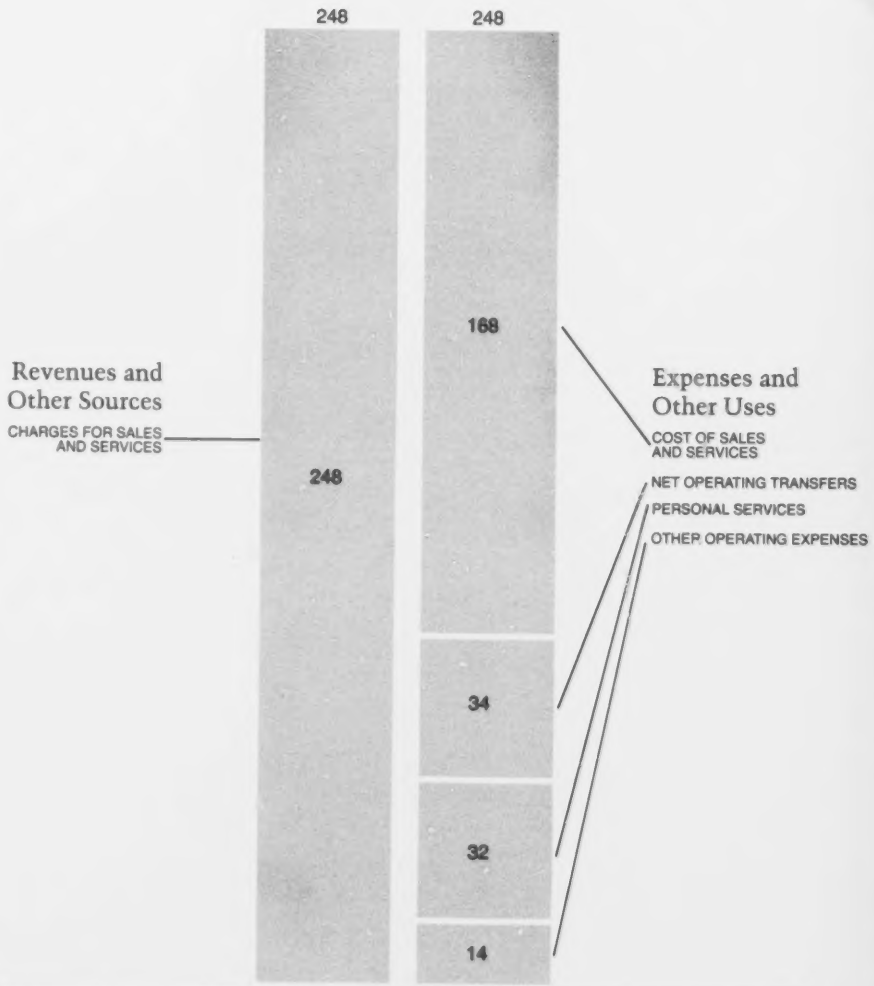
The Enterprise Funds are maintained to account for those operations of State government which render services to the general public in a manner similar to private business enterprises. It is the intent that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges. The following are the Enterprise Fund activities of the Commonwealth and their functions:

- *Department of Alcoholic Beverage Control—operates facilities for the distribution and sale of distilled spirits and wine.*
- *Virginia Industries for the Blind—manufactures products for sale to governments, certain private organizations, and the general public.*
- *Virginia Museum of Fine Arts—operates gift shop and food services activities.*

Analysis

For fiscal 1984, Enterprise Funds received $248.3 million in revenues. Expenses for the same period came to $215.9 million, yielding an income before operating transfers of $32.4 million. Net operating transfers, primarily legislatively mandated transfers to the General Fund from ABC, reduced this figure by $32.0 million, to produce net income of $.4 million in 1984.

Enterprise Funds
Revenues and Expenses
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Combining Balance Sheet
Enterprise Funds

June 30, 1984

(Dollars in Thousands)

	Department of Alcoholic Beverage Control	Virginia Industries for the Blind	Virginia Museum of Fine Arts	Totals June 30, 1984	Totals June 30, 1983
Assets					
Cash and Investments	$ 2,083	$ 685	$ 223	**$ 2,991**	$ 1,751
Petty Cash and Travel Advances	90	1	4	**95**	88
Loans and Accounts Receivable (Net)	1,234	784	15	**2,033**	1,462
Inventory, at Cost	27,395	769	150	**28,314**	27,499
Prepaid Expenses	5	1	—	**6**	12
Property, Plant, and Equipment (Net)	9,302	339	—	**9,641**	8,385
Total Assets	$ 40,109	$ 2,579	$ 392	**$ 43,080**	$ 39,197
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	$ 6,348	$ 447	$ —	**$ 6,795**	$ 4,864
Due to Commercial Institutions	1,000	—	—	**1,000**	1,500
Other Liabilities	—	59	6	**65**	62
Due to Other Funds	16,587	—	—	**16,587**	14,861
Loans Payable to the General Fund	9,000	—	—	**9,000**	10,000
Deferred Revenue	563	—	—	**563**	536
Accrued Liability for Compensated Absences	4,308	406	—	**4,714**	—
Total Liabilities	37,806	912	6	**38,724**	31,823
Fund Equity:					
Retained Earnings	2,303	1,667	386	**4,356**	7,374
Total Liabilities and Fund Equity	$ 40,109	$ 2,579	$ 392	**$ 43,080**	$ 39,197

See Notes to the Financial Statements.

Combining Statement of Revenues, Expenses, and Changes in Fund Equity Enterprise Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Department of Alcoholic Beverage Control	Virginia Industries for the Blind	Virginia Museum of Fine Arts	Totals June 30, 1984	Totals June 30, 1983
Operating Revenues:					
Charges for Sales and Services	$242,567	$ 4,256	$ 1,150	**$247,973**	$251,604
Operating Expenses:					
Cost of Sales and Services	167,061	—	722	**167,783**	170,427
Personal Services	32,219	1,422	304	**33,945**	33,984
Contractual Services	4,055	86	—	**4,141**	4,491
Supplies and Materials	924	2,668	51	**3,643**	2,336
Grants and Distributions to Localities	80	—	—	**80**	70
Expendable Equipment	85	37	20	**142**	106
Depreciation	1,132	21	—	**1,153**	1,160
Rent, Insurance, and Other Related Charges	3,976	136	27	**4,139**	3,978
Total Operating Expenses	209,532	4,370	1,124	**215,026**	216,552
Operating Income (Loss)	33,035	(114)	26	**32,947**	35,052
Nonoperating Revenues (Expenses):					
Interest, Dividends, and Rents	(860)	—	12	**(848)**	(893)
Grants and Shared Revenue	—	309	—	**309**	309
Discounts	10	—	—	**10**	10
Gain (Loss) on Sale of Fixed Assets	3	—	—	**3**	(12)
Other	16	2	—	**18**	109
Total Nonoperating Revenue (Expenses)	(831)	311	12	**(508)**	(477)
Transfers:					
ABC Profit Transfers	(25,899)	—	—	**(25,899)**	(28,395)
Appropriation Act Transfers	(6,413)	—	—	**(6,413)**	(5,567)
Operating Transfers In	265	—	—	**265**	332
Operating Transfers Out	—	—	—	**—**	(150)
Total Transfers	(32,047)	—	—	**(32,047)**	(33,780)
Net Income	157	197	38	**392**	795
Fund Equity, July 1, as adjusted (Note 4)	2,146	1,470	348	**3,964**	6,579
Fund Equity, June 30	$ 2,303	$ 1,667	$ 386	**$ 4,356**	$ 7,374

See Notes to the Financial Statements.

Combining Statement of Changes in Financial Position
Enterprise Funds

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Department of Alcoholic Beverage Control	Virginia Industries for the Blind	Virginia Museum of Fine Arts	Totals June 30, 1984	Totals June 30, 1983
Sources of Working Capital:					
Operations:					
Net Income	$ 157	$ 197	$ 38	**$ 392**	$ 795
Items not requiring Working Capital:					
Depreciation and Amortization	1,132	21	—	**1,153**	1,160
Loss (Gain) on Sale of Fixed Assets	(10)	—	—	**(10)**	10
Accrued Liability for Compensated Absences	58	9	—	**67**	—
Disposal of Fixed Assets	36	—	—	**36**	26
Increase in Long-term Debt	—	—	—	**—**	8,500
Addition in Retained Earnings Due to Prior Period Adjustment	—	—	—	**—**	981
Total Sources of Working Capital	1,373	227	38	**1,638**	11,472
Uses of Working Capital:					
Acquisition of Property, Plant, and Equipment	1,200	—	—	**1,200**	1,181
Reduction in Long-Term Debt Payable	1,500	—	—	**1,500**	—
Total Uses of Working Capital	2,700	—	—	**2,700**	1,181
Net Increase (Decrease) in Working Capital	$ (1,327)	$ 227	$ 38	**$ (1,062)**	$ 10,291
Elements of Net Increase (Decrease) in Working Capital:					
Cash and Investments	$ 1,168	$ 28	$ 51	**$ 1,247**	$ 382
Receivables	104	485	(18)	**571**	109
Inventories	724	86	5	**815**	2,704
Prepaid Expenses	—	(7)	—	**(7)**	(151)
Payables and Other Liabilities	(3,296)	(365)	—	**(3,661)**	6,025
Deferred Revenue	(27)	—	—	**(27)**	1,222
Net Increase (Decrease) in Working Capital	$ (1,327)	$ 227	$ 38	**$ (1,062)**	$ 10,291

See Notes to the Financial Statements.

Internal Service Funds

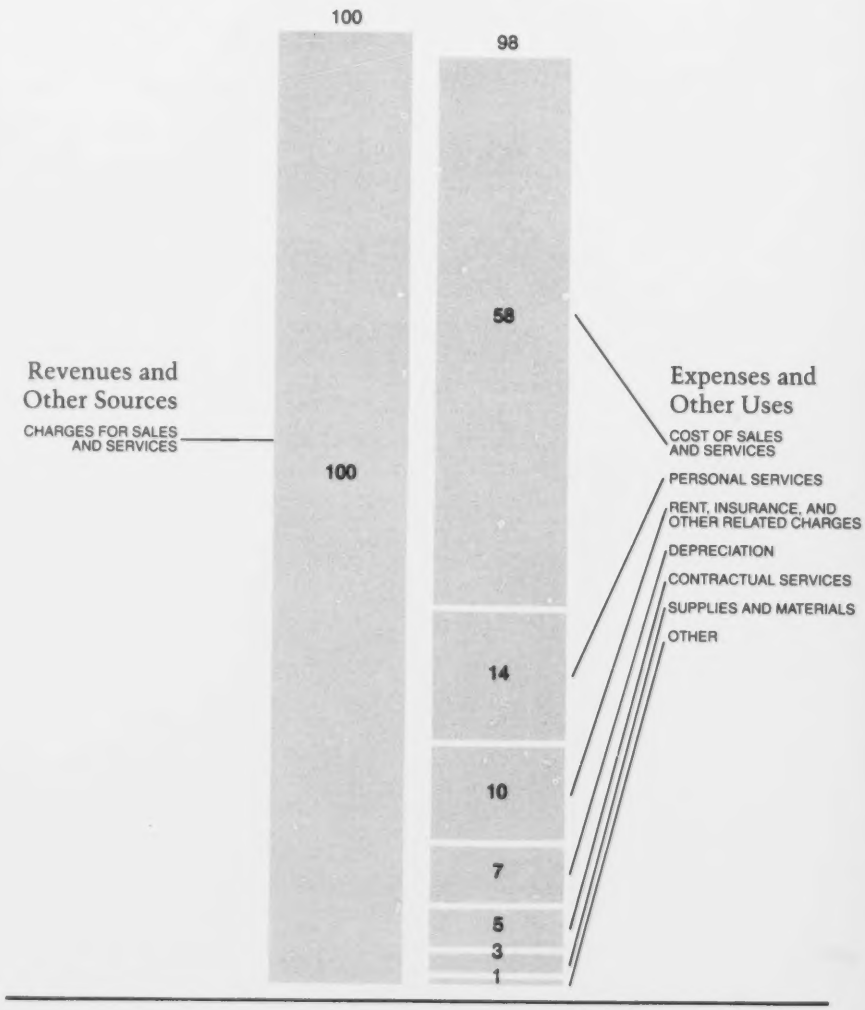
Internal Service Funds are maintained to account for the operations of State agencies which render services to other State agencies, institutions, or other governmental units of the Commonwealth on a cost-reimbursement basis. The following are the Internal Service Fund activities of the Commonwealth and their functions:

- *Department of Telecommunications—to account for the installation and maintenance of the State government's telephone system.*
- *Department of Computer Services—to account for the development, use, and maintenance of the Commonwealth's data processing system.*
- *Department of Management Analysis and Systems Development—to account for the development of automated systems.*
- *Central Warehouse—to account for supplies purchased for and used by State agencies.*
- *Office of Graphic Communications—to account for the activities of the Commonwealth's graphic design division.*
- *Central Garage—to account for the activities of the Commonwealth's motor vehicle pool.*
- *Bureau of Industrial Enterprises—to account for the manufacturing activities of the State's correctional facilities.*

Analysis

During 1984, Internal Service Funds received $100.0 million in operating revenues, which represented an increase of 5.9% over 1983, and operating expenses of $97.2 million which represented an increase of 7.5% over 1983. Income before operating transfers of $2.7 million represented a decrease of $1.0 million in 1984, as compared to 1983.

Internal Service Funds
Revenues and Expenses
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Combining Balance Sheet
Internal Service Funds

June 30, 1984
(Dollars in Thousands)

	Telecommunications	Computer Services	Management Analysis and Systems Development
Assets			
Cash and Investments	$ —	$ 4,258	$ 1,179
Petty Cash and Travel Advances	5	10	8
Loans and Accounts Receivable (Net)	1,610	227	162
Other Receivables	—	—	—
Inventory, at Cost	—	128	—
Prepaid Expenses	—	144	1
Property, Plant, and Equipment (Net)	37	8,383	52
Total Assets	$ 1,652	$13,150	$ 1,402
Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	$ 2,373	$ 647	$ 453
Due to Commercial Institutions	—	8,293	—
Other Liabilities	1,102	—	—
Notes Payable	11	—	—
Loans Payable to General Fund	375	1,750	175
Deferred Revenue	—	—	216
Accrued Liability for Compensated Absences	103	583	286
Total Liabilities	3,964	11,273	1,130
Fund Equity:			
Contributed Capital	—	—	—
Retained Earnings:			
Designated	—	1,790	—
Undesignated	(2,312)	87	272
Total Fund Equity (Deficit)	(2,312)	1,877	272
Total Liabilities and Fund Equity	$ 1,652	$13,150	$ 1,402

See Notes to the Financial Statements.

Central Warehouse	Office of Graphic Communications	Central Garage	Industrial Enterprises	Totals June 30, 1984	Totals June 30, 1983
$ 132	$ 76	$ 3,131	$ 3,757	**$12,533**	$10,505
—	—	—	3	**26**	17
653	23	872	—	**3,547**	3,043
—	—	—	—	**—**	716
2,495	—	—	6,990	**9,613**	6,838
29	—	—	—	**174**	148
1,265	5	11,422	3,895	**25,059**	19,612
$ 4,574	$ 104	$15,425	$14,645	**$50,952**	$40,879
$ 308	$ 1	$ 348	$ 576	**$ 4,706**	$ 3,688
—	—	—	—	**8,293**	2,807
—	—	—	—	**1,102**	—
—	—	—	—	**11**	—
3,000	75	—	—	**5,375**	5,375
—	3	—	538	**757**	472
56	8	50	254	**1,340**	107
3,364	87	398	1,368	**21,584**	12,449
—	—	1,738	3,832	**5,570**	5,570
—	—	13,289	—	**15,079**	—
1,210	17	—	9,445	**8,719**	22,860
1,210	17	15,027	13,277	**29,368**	28,430
$ 4,574	$ 104	$15,425	$14,645	**$50,952**	$40,879

Combining Statement of Revenues, Expenses, and Changes in Fund Equity Internal Service Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Telecommunications	Computer Services	Management Analysis and Systems Development
Operating Revenues:			
Charges for Sales and Services	$30,043	$23,056	$ 4,500
Total Operating Revenues	30,043	23,056	4,500
Operating Expenses:			
Cost of Sales and Services	28,223	—	—
Personal Services	1,263	6,612	3,551
Contractual Services	488	2,822	166
Supplies and Materials	11	644	12
Grants	6	9	3
Expendable Equipment	112	117	36
Depreciation	35	3,634	8
Rent, Insurance, and Other Related Charges	14	8,687	287
Other	—	—	—
Total Operating Expenses	30,152	22,525	4,063
Operating Income (Loss)	(109)	531	437
Nonoperating Revenues (Expenses):			
Interest, Dividends, and Rents	—	(317)	—
Discounts	—	—	—
Gain (Loss) on Sale of Fixed Assets	—	18	3
Other	—	—	—
Total Nonoperating Revenues (Expenses)	—	(299)	3
Transfers:			
Appropriation Act Transfers	—	—	—
Operating Transfers In	—	—	—
Total Transfers	—	—	—
Net Income (Loss)	(109)	232	440
Change in Contributed Capital	—	—	—
Fund Equity, July 1, as adjusted (Note 4)	(2,203)	1,645	(168)
Fund Equity, June 30	$ (2,312)	$ 1,877	$ 272

See Notes to the Financial Statements.

Central Warehouse	Office of Graphic Communications	Central Garage	Industrial Enterprises	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
$21,003	$ 190	$ 8,628	$12,619	**$100,039**	$94,377
21,003	190	8,628	12,619	**100,039**	94,377
19,874	—	3	10,312	**58,412**	57,425
664	94	319	1,329	**13,832**	12,623
215	70	1,457	211	**5,429**	5,222
94	6	2,167	99	**3,033**	3,408
—	—	—	1	**19**	19
25	5	2	12	**309**	212
106	1	2,256	483	**6,523**	7,207
—	3	335	205	**9,531**	4,294
102	—	—	—	**102**	—
21,080	179	6,539	12,652	**97,190**	90,410
(77)	11	2,089	(33)	**2,849**	3,967
—	—	—	—	**(317)**	(352)
101	—	—	—	**101**	99
2	—	(1)	4	**26**	(40)
34	—	—	—	**34**	31
137	—	(1)	4	**(156)**	(262)
—	—	—	(250)	**(250)**	(4,062)
—	—	—	—	**—**	90
—	—	—	(250)	**(250)**	(3,972)
60	11	2,088	(279)	**2,443**	(267)
—	—	—	—	**—**	201
1,150	6	12,939	13,556	**26,925**	28,496
$ 1,210	$ 17	$15,027	$13,277	**$29,368**	$28,430

Combining Statement of Changes in Financial Position
Internal Service Funds

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Telecommunications	Computer Services	Management Analysis and Systems Development
Sources of Working Capital:			
Operations:			
Net Income (Loss)	$ (109)	$ 232	$ 440
Items Not Requiring Working Capital:			
Depreciation	35	3,634	8
Loss (Gain) on Sale of Fixed Assets	—	—	—
Compensated Absences	9	103	30
Working Capital Provided by Operations	(65)	3,969	478
Increase in Capital Appropriated	—	—	—
Increase in Long-Term Notes Payable	—	8,068	—
Sale of Equipment	—	3	—
Total Sources (Uses) of Working Capital	(65)	12,040	478
Uses of Working Capital:			
Acquisition of Property, Plant, and Equipment	—	8,477	18
Reduction in Long-Term Debt Payable	—	2,581	—
Reduction in Retained Earnings Due to Prior-Period Adjustment	—	—	—
Total Uses of Working Capital	—	11,058	18
Net Increase (Decrease) in Working Capital	$ (65)	$ 982	$ 460
Elements of Net Increase (Decrease) in Working Capital:			
Cash and Investments	$ 516	$ 1,367	$ 760
Receivables	600	113	91
Inventories	—	(12)	—
Prepaid Expenses	—	39	1
Payables, Deposits, and Other Liabilities	(1,181)	(525)	(218)
Deferred Revenue	—	—	(174)
Net Increase (Decrease) in Working Capital	$ (65)	$ 982	$ 460

See Notes to the Financial Statements.

Central Warehouse	Office of Graphic Communications	Central Garage	Industrial Enterprises	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
$ 60	$ 11	$ 2,088	$ (279)	**$ 2,443**	$ (267)
106	1	2,256	483	**6,523**	7,607
—	—	—	(3)	**(3)**	40
2	2	2	24	**172**	—
168	14	4,346	225	**9,135**	7,380
—	—	—	—	**—**	201
—	—	—	—	**8,068**	—
2	—	371	(1)	**375**	1
170	14	4,717	224	**17,578**	7,582
29	1	2,922	875	**12,322**	6,852
—	—	—	—	**2,581**	3,517
—	—	—	453	**453**	200
29	1	2,922	1,328	**15,356**	10,569
$ 141	$ 13	$ 1,795	$ (1,104)	**$ 2,222**	$ (2,987)
$ (166)	$ 8	$ 2,005	$ (2,453)	**$ 2,037**	$ 45
(47)	8	(220)	(757)	**(212)**	166
397	—	—	2,392	**2,777**	(216)
(11)	(2)	—	—	**27**	116
(32)	(1)	10	(173)	**(2,120)**	(2,828)
—	—	—	(113)	**(287)**	(270)
$ 141	$ 13	$ 1,795	$ (1,104)	**$ 2,222**	$ (2,987)

Trust and Agency Funds

Trust and Agency Funds are maintained to account for assets held by the Commonwealth in the capacity of a trustee or agent. These funds include pension trusts, nonexpendable trusts, numerous expendable fiduciary funds, and agency funds. The Pension Trust reflects the activities of the retirement system administered by the Commonwealth. The following are the nonexpendable trusts, the agencies which administer them, and the purposes of those trusts:

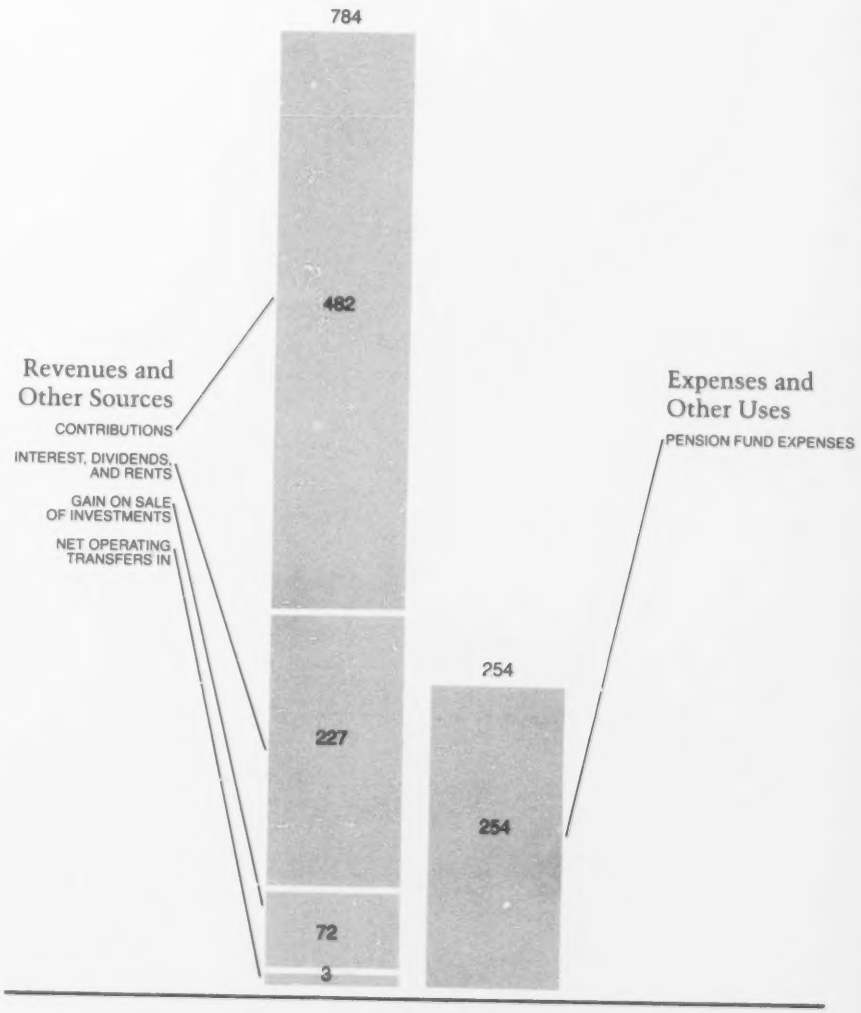
- *Inmate and Ward Trust Fund (Department of Corrections)—operates a savings deposit account for inmates.*
- *Canteen Fund (Department of Corrections)—operates the canteens or commissaries at correctional institutions.*
- *Rural Rehabilitation Trust Fund (Department of Agriculture and Consumer Services)—provides farm realty loans to low and moderate income farmers.*
- *Virginia Museum Nonexpendable Trusts (Virginia Museum of Fine Arts)—supports the expendable trusts at the Virginia Museum by transferring investment income to these trusts.*

The numerous expendable trust funds reported by the Commonwealth include various trusts, such as those for educational programs at museums, trusts to guarantee student loans, and funds for unemployment compensation. Agency funds report those funds for which the State acts solely in a custodial capacity. Agency funds include sales tax deposits, employee withholding and Medicaid payments.

Analysis

Pension trust revenues increased 10.6% while expenditures increased 14.7% over the prior year. The revenue increase was the result of a 10.4% increase in retirement system member contributions for the year. Nonoperating revenues from interest, dividends, and rents, and gains on sale of investments decreased 9.0% over the prior year, primarily due to a decrease in net gain on investments sold. The net result of these activities was to add $531 million to the fund balance for the year.

Pension Trust
Revenues and Expenses
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Combining Balance Sheet
All Trust and Agency Funds

June 30, 1984
(Dollars in Thousands)

	Pension Trust Funds				
	Virginia Supplemental Retirement System	State Police Officers' Retirement System	Judicial Retirement System	Pooled Assets Account	Administration Fund
Assets					
Cash and Investments	$ 40	$ —	$ —	$ 2,046	$ 345
Cash and Investments with Trustees	—	—	—	—	—
Petty Cash and Travel Advances	—	—	—	—	—
Loans and Accounts Receivable (Net)	25,962	1	—	—	—
Accrued Interest Receivable	—	—	—	42,946	—
Other Receivables	7,950	236	120	1,524	2
Due from Other Funds	—	—	—	—	—
Investments:					
Bonds	—	—	—	1,169,666	—
Stocks	—	—	—	1,717,642	—
Short-Term Securities	—	—	—	314,304	—
Other Securities	—	—	—	—	—
Real Estate	—	—	—	200,988	—
Inventory, at Cost	—	—	—	—	—
Other Assets	—	—	—	—	—
Property, Plant, and Equipment (Net)	—	—	—	6,424	249
Equity Distribution From Pooled Assets	3,335,581	48,871	29,360	(3,413,812)	—
Total Assets	$ 3,369,533	$ 49,108	$ 29,480	$ 41,728	$ 596
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	$ —	$ —	$ —	$ 402	$ 1,277
Amounts due to Localities	—	—	—	—	—
Accrued Interest Payable	—	—	—	—	—
Deposits Pending Distribution	—	—	—	—	—
Other Liabilities	7,950	236	120	138	246
Due to Other Funds	—	—	—	—	—
Deferred Revenue	—	—	—	—	—
Retirement Refunds Payable	3,252	36	19	—	—
Retirement Benefits Payable	16,589	157	379	—	—
Accrued Liability for Compensated Absences	—	—	—	—	169
Due to Providers	—	—	—	—	—
Employee Benefits Payable	—	—	—	—	—
Total Liabilities	27,791	429	518	540	1,692
Fund Equity:					
Fund Balance:					
Reserved for Pension Benefits	3,341,742	48,679	28,962	41,188	(1,096)
Reserved for Deferred Charges	—	—	—	—	—
Reserved for Workmen's Compensation	—	—	—	—	—
Unreserved, Designated	—	—	—	—	—
Total Fund Equity	3,341,742	48,679	28,962	41,188	(1,096)
Total Liabilities and Fund Equity	$ 3,369,533	$ 49,108	$ 29,480	$ 41,728	$ 596

See Notes to the Financial Statements.

Nonexpendable Trust Funds			Expendable Trust Funds			Totals	
Virginia Museum of Fine Arts	Department of Agriculture and Consumer Services	Department of Corrections	Treasury Administered Trust Funds	Local Agency Administered Trust Funds	Agency Funds	June 30, 1984	June 30, 1983
$ 95	$ 2,185	$ 1,023	$ 232,853	$ 74,799	$ 103,132	**$ 416,518**	$ 179,172
—	—	—	—	203,656	—	**203,656**	76,470
—	—	—	—	119	—	**119**	130
—	419	378	234,832	17,615	—	**279,207**	238,313
—	—	—	—	—	—	**42,946**	31,293
—	—	13	—	—	—	**9,845**	4,258
—	—	—	—	—	—	**—**	12,014
164	—	—	—	112,728	—	**1,282,558**	1,164,410
1,286	—	—	—	376	—	**1,719,304**	1,342,249
—	—	467	—	912	—	**315,683**	238,744
—	—	—	—	54,329	96,301	**150,630**	63,529
—	—	—	—	—	—	**200,988**	261,011
—	—	322	—	21	—	**343**	367
—	—	—	—	27	—	**27**	7
—	4	23	—	—	—	**6,700**	30
—	—	—	—	—	—	**—**	—
$ 1,545	$ 2,608	$ 2,226	$ 467,685	$ 464,582	$ 199,433	**$4,628,524**	$3,611,997
$ 48	$ 3	$ 328	$ —	$ 9,687	$ —	**$ 11,745**	$ 11,697
—	—	—	—	—	39,030	**39,030**	32,886
—	—	—	—	—	—	**—**	1
—	—	—	—	3,927	1,377	**5,304**	18,974
—	—	122	—	781	—	**9,593**	401
—	—	—	—	—	—	**—**	12,014
—	—	—	—	3	—	**3**	—
—	—	—	—	—	—	**3,307**	3,855
—	—	—	—	—	—	**17,125**	15,397
—	10	—	—	—	—	**179**	—
—	—	—	—	—	103,275	**103,275**	3,199
—	—	—	—	—	55,751	**55,751**	29,455
48	13	450	—	14,398	199,433	**245,312**	127,879
—	—	—	—	—	—	**3,459,475**	2,928,844
—	—	—	—	27	—	**27**	—
—	—	—	—	4,289	—	**4,289**	—
1,497	2,595	1,776	467,685	445,868	—	**919,421**	555,274
1,497	2,595	1,776	467,685	450,184	—	**4,383,212**	3,484,118
$ 1,545	$ 2,608	$ 2,226	$ 467,685	$ 464,582	$ 199,433	**$4,628,524**	$3,611,997

Combining Statement of Revenues, Expenses, and Changes in Fund Balances Pension Trust and Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Pension Trust Funds				
	Virginia Supplemental Retirement System	State Police Officers' Retirement System	Judicial Retirement System	Pooled Assets Account	Administration Fund
Operating Revenues:					
Charges for Sales and Services	$ —	$ —	$ —	$ —	$ —
Contributions	471,925	4,584	5,378	—	—
Accrued Revenue	—	—	—	—	—
Other	12	—	—	670	1
Total Operating Revenues	471,937	4,584	5,378	670	1
Operating Expenses:					
Cost of Sales and Services	—	—	—	—	—
Personal Services	—	—	—	—	—
Contractual Services	—	—	—	—	—
Grants and Distributions to Localities	—	—	—	—	—
Depreciation	—	—	—	—	35
Pension Fund Expenditures	238,228	2,042	4,379	—	9,027
Accrued Expenses	—	—	—	—	—
Other	—	—	—	—	—
Total Operating Expenses	238,228	2,042	4,379	—	9,062
Operating Income	233,709	2,542	999	670	(9,061)
Nonoperating Revenues (Expenses):					
Interest, Dividends, and Rents	4	—	—	227,245	—
Net Gain on Sale of Investments	—	—	—	72,126	—
Other	—	—	—	—	—
Total Nonoperating Revenues	4	—	—	299,371	—
Transfers:					
Operating Transfers In	281,053	4,190	2,552	—	8,646
Operating Transfers Out	—	—	—	(293,983)	—
Total Transfers	281,053	4,190	2,552	(293,983)	8,646
Net Income	514,766	6,732	3,551	6,058	(415)
Fund Balance (Deficit), July 1, as adjusted (Note 4)	2,826,976	41,947	25,411	35,130	(681)
Fund Balance (Deficit), June 30	$ 3,341,742	$ 48,679	$ 28,962	$ 41,188	$ (1,096)

See Notes to the Financial Statements.

Nonexpendable Trust Funds			Totals	
			Year Ended	
Virginia Museum of Fine Arts	Department of Agriculture and Consumer Services	Department of Corrections	June 30, 1984	June 30, 1983
$ —	$ —	$ 4,055	**$ 4,055**	$ 3,510
20	—	—	**481,907**	436,478
—	—	—	**—**	1
—	—	7,657	**8,340**	6,594
20	—	11,712	**494,302**	446,583
—	—	3,541	**3,541**	3,105
—	82	—	**82**	57
—	—	—	**—**	7
—	—	—	**—**	7
—	1	5	**41**	6
—	—	—	**253,676**	221,110
—	—	—	**—**	1
—	—	7,751	**7,751**	6,643
—	83	11,297	**265,091**	230,936
20	(83)	415	**229,211**	215,647
—	322	60	**227,631**	194,842
148	—	—	**72,274**	134,743
—	—	(178)	**(178)**	(279)
148	322	(118)	**299,727**	329,306
—	—	—	**296,441**	334,638
(217)	—	—	**(294,200)**	(331,856)
(217)	—	—	**2,241**	2,782
(49)	239	297	**531,179**	547,735
1,546	2,356	1,479	**2,934,164**	2,386,740
$ 1,497	$ 2,595	$ 1,776	**$3,465,343**	$2,934,475

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Expendable Trust Funds

June 30, 1984

(Dollars in Thousands)

	Treasury Administered Trust Funds	Local Agency Administered Trust Funds	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
Revenues:				
Taxes	$ —	$ 289,629	**$ 289,629**	$ 191,590
Rights and Privileges	—	12,286	**12,286**	537
Assessments and Receipts for Support of Special Services	—	4,520	**4,520**	3,157
Sales of Property and Commodities	18,846	—	**18,846**	—
Interest, Dividends, and Rents	29,489	12,825	**42,314**	16,493
Fines, Forfeitures, Court Fees, Penalties, and Escheats	19,457	1,119	**20,576**	660
Federal Grants, Contracts, and Revenue Sharing	—	25,829	**25,829**	47,029
Receipts from Cities, Counties, and Towns	—	3,657	**3,657**	1,077
Private Donations, Gifts, and Contracts	—	—	—	1,748
Institutional Revenue	—	—	—	945
Other	—	1,423	**1,423**	8,750
Total Revenues	67,792	351,288	**419,080**	271,986
Expenditures:				
General Government	15	3,458	**3,473**	1,188
Education	44,521	2,177	**46,698**	2,305
Transportation	—	14,346	**14,346**	8,752
Resources and Economic Development	—	1,912	**1,912**	6,098
Individual and Family Services	—	186,326	**186,326**	305,677
Total Expenditures	44,536	208,219	**252,755**	324,020
Revenues Over (Under) Expenditures	23,256	143,069	**166,325**	(52,034)
Other Financing Sources (Uses):				
Appropriation Act Transfers	—	(131)	**(131)**	—
Operating Transfers In	—	7,721	**7,721**	324,986
Operating Transfers Out	(29,040)	(4,840)	**(33,880)**	(293,032)
Trust Fund Receipts Over Disbursements	—	20,880	**20,880**	24,151
Net Increase in Assets Held by Trustees	—	180,972	**180,972**	15,739
Workmen's Compensation Receipts Over Disbursements	—	10,341	**10,341**	—
Other Sources (Uses)	—	(151,118)	**(151,118)**	—
Total Other Financing Sources (Uses)	(29,040)	63,825	**34,785**	71,844
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,784)	206,894	**201,110**	19,810
Fund Balance, July 1, as adjusted (Note 4)	473,469	243,290	**716,759**	529,833
Fund Balance, June 30	$ 467,685	$ 450,184	**$ 917,869**	$ 549,643

See Notes to the Financial Statements.

Combining Statement of Changes in Financial Position
Pension Trust and Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Pension Trust Funds				
	Virginia Supplemental Retirement System	State Police Officer's Retirement System	Judicial Retirement System	Pooled Assets Account	Administration Fund
Sources of Working Capital:					
Operations:					
Net Income	$ 514,766	$ 6,732	$ 3,551	$ 6,058	$ (415)
Items Not Requiring Working Capital:					
Depreciation	—	—	—	—	35
Amortization of Net Loss on Securities Exchanged	—	—	—	(7,585)	—
Compensated Absences	—	—	—	—	(4)
Working Capital Provided by Operations	514,766	6,732	3,551	(1,527)	(384)
Addition to Retained Earnings due to Prior-Period Adjustment	—	—	—	—	111
Total Sources of Working Capital	514,766	6,732	3,551	(1,527)	(273)
Uses of Working Capital:					
Reduction in Retained Earnings due to Prior-Period Adjustment	—	—	—	—	—
Acquisition of Property, Plant, and Equipment	—	—	—	6,179	283
Increase in Long-Term Investments	—	—	—	410,853	—
Increase (Decrease) in Equity in Pooled Assets	512,806	6,778	3,627	(523,211)	—
Total Uses (Sources) of Working Capital	512,806	6,778	3,627	(106,179)	283
Net Increase (Decrease) in Working Capital	$ 1,960	$ (46)	$ (76)	$ 104,652	$ (556)
Elements of Net Increase (Decrease) in Working Capital:					
Cash and Investments	$ 4	$ —	$ —	$ (8,082)	$ (523)
Securities	—	—	—	104,207	—
Receivables	(867)	117	57	9,001	—
Inventories	—	—	—	—	—
Payables, Deposits, and Other Liabilities	3,886	(117)	(62)	(474)	(33)
Retirement Benefits Payable	(1,653)	(23)	(52)	—	—
Retirement Refunds Payable	590	(23)	(19)	—	—
Net Increase (Decrease) In Working Capital	$ 1,960	$ (46)	$ (76)	$ 104,652	$ (556)

See Notes to the Financial Statements.

Nonexpendable Trust Funds			Totals	
			Year Ended	
Virginia Museum of Fine Arts	Department of Agriculture and Consumer Services	Department of Corrections	June 30, 1984	June 30, 1983
$ (49)	$ 239	$ 297	**$ 531,179**	$ 547,735
—	1	5	**41**	6
—	—	—	**(7,585)**	22,459
—	1	—	**(3)**	—
(49)	241	302	**523,632**	570,200
—	—	—	**111**	—
(49)	241	302	**523,743**	570,200
—	228	—	**228**	—
—	—	3	**6,465**	11
225	—	—	**411,078**	568,813
—	—	—	—	—
225	228	3	**417,771**	568,824
$ (274)	$ 13	$ 299	**$ 105,972**	$ 1,376
$ (226)	$ 205	$ 219	**$ (8,403)**	$ 6,839
—	—	96	**104,303**	(3,339)
—	(190)	133	**8,251**	1,686
—	—	(25)	**(25)**	71
(48)	(2)	(124)	**3,026**	(1,990)
—	—	—	**(1,728)**	(1,743)
—	—	—	**548**	(148)
$ (274)	$ 13	$ 299	**$ 105,972**	$ 1,376

Combining Statement of Changes in Assets and Liabilities
All Agency Funds

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

	Balance July 1, 1983	Additions	Deletions	Balance June 30, 1984
Legal Settlement Funds				
Assets:				
Cash and Investments	$ 400	$ 508	$ 770	$ 138
Total Assets	$ 400	$ 508	$ 770	$ 138
Liabilities:				
Deposits Pending Distribution	$ 400	$ 508	$ 770	$ 138
Total Liabilities	$ 400	$ 508	$ 770	$ 138
Sales Tax Deposits				
Assets:				
Cash and Investments	$ 23,337	$ 288,821	$ 284,826	$ 27,332
Total Assets	$ 23,337	$ 288,821	$ 284,826	$ 27,332
Liabilities:				
Due to Localities	$ 23,337	$ 288,821	$ 284,826	$ 27,332
Total Liabilities	$ 23,337	$ 288,821	$ 284,826	$ 27,332
Employee Withholding				
Assets:				
Cash and Investments	$ 29,455	$ 848,276	$ 821,980	$ 55,751
Total Assets	$ 29,455	$ 848,276	$ 821,980	$ 55,751
Liabilities:				
Employee Benefits Payable	$ 29,455	$ 848,276	$ 821,980	$ 55,751
Total Liabilities	$ 29,455	$ 848,276	$ 821,980	$ 55,751
Northern Virginia Fuel Tax				
Assets:				
Cash and Investments	$ 926	$ 9,952	$ 9,989	$ 889
Total Assets	$ 926	$ 9,952	$ 9,989	$ 889
Liabilities:				
Due to Localities	$ 926	$ 9,952	$ 9,989	$ 889
Total Liabilities	$ 926	$ 9,952	$ 9,989	$ 889
Mined Land Deposits				
Assets:				
Cash and Investments	$ 1,128	$ 199	$ 88	$ 1,239
Total Assets	$ 1,128	$ 199	$ 88	$ 1,239
Liabilities:				
Deposits Pending Distribution	$ 1,128	$ 199	$ 88	$ 1,239
Total Liabilities	$ 1,128	$ 199	$ 88	$ 1,239
Medicaid Payments				
Assets:				
Cash and Investments	$ 3,199	$ 529,461	$ 525,686	$ 6,974
Total Assets	$ 3,199	$ 529,461	$ 525,686	$ 6,974
Liabilities:				
Due to Providers	$ 3,199	$ 529,461	$ 525,686	$ 6,974
Total Liabilities	$ 3,199	$ 529,461	$ 525,686	$ 6,974
Deposits of Insurance Carriers				
Assets:				
Investments	$ 82,400	$ 13,901	$ —	$ 96,301
Total Assets	$ 82,400	$ 13,901	$ —	$ 96,301
Liabilities:				
Due to Providers	$ 82,400	$ 13,901	$ —	$ 96,301
Total Liabilities	$ 82,400	$ 13,901	$ —	$ 96,301
Local Government Investment Pool				
Assets:				
Cash and Investments	$ 6,539	$ 53,825	$ 49,555	$ 10,809
Total Assets	$ 6,539	$ 53,825	$ 49,555	$ 10,809
Liabilities:				
Due to Localities	$ 6,539	$ 53,825	$ 49,555	$ 10,809
Total Liabilities	$ 6,539	$ 53,825	$ 49,555	$ 10,809
Totals—All Agency Funds				
Assets:				
Cash and Investments	$ 64,984	$1,731,042	$1,692,894	$ 103,132
Investments	82,400	13,901	—	96,301
Total Assets	$ 147,384	$1,744,943	$1,692,894	$ 199,433
Liabilities:				
Deposits Pending Distribution	$ 1,528	$ 707	$ 858	$ 1,377
Due to Localities	30,802	352,598	344,370	39,030
Employee Benefits Payable	29,455	848,276	821,980	55,751
Due to Providers	85,599	543,362	525,686	103,275
Total Liabilities	$ 147,384	$1,744,943	$1,692,894	$ 199,433

See Notes to the Financial Statements.

General Fixed Assets Account Group

The General Fixed Assets Account Group is maintained to account for those fixed assets used in operations which are accounted for in governmental funds. Fixed assets of the proprietary fund types and similar trusts, the Higher Education Fund, and Public Benefit Corporations are accounted for within those funds. The Commonwealth, two years ago, developed and implemented a fixed assets accounting and control system. Although utilization of the system is not complete, at year end the General Fixed Assets Account Group included the majority of the land, buildings, and EDP equipment owned by the Commonwealth. The Commonwealth has added a material dollar value of furniture, fixtures, and equipment this past year. These assets represent a materially significant percentage of the State's total fixed assets.

Analysis

The General Fixed Assets Account Group is stated at historical cost. At year end the general fixed assets, less accumulated depreciation, recorded in the fixed assets accounting system totaled $601 million. Infrastructures, including highways, bridges, and rights-of-way, are not capitalized. No depreciation expense is recognized on general fixed assets, but accumulated depreciation is calculated and reported in order to reflect the book value of those fixed assets.

Schedule of General Fixed Assets by Source

June 30, 1984

(Dollars in Thousands)

General Fixed Assets:		
Land		$140,459
Buildings	$574,391	
Less: Accumulated Depreciation	(181,596)	392,795
Equipment	9,701	
Less: Accumulated Depreciation	(5,453)	4,248
Improvements other than Buildings	82,337	
Less: Accumulated Depreciation	(32,190)	50,147
Construction in Progress		13,104
Net General Fixed Assets		$600,753
Investments in General Fixed Assets from:		
General Obligation Bonds		$101,046
Federal Grants		13,281
Nonfederal Grants		66
General Fund Revenues		532,206
Special Fund Revenues		125,320
Gifts and Donations		16,406
Local Funds		17
Other Funds		31,650
Total Investment in General Fixed Assets, at Cost		819,992
Less: Accumulated Depreciation		(219,239)
Net Investment in General Fixed Assets		$600,753

See Notes to the Financial Statements.

Schedule of General Fixed Assets By Function and Activity

June 30, 1984

(Dollars in Thousands)

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
Education	$ 5,757	$ 41,635	$ —	$ 327	$ 47,719
Administration of Justice	145	93,241	—	533	93,919
Individual and Family Services	26,202	160,079	2,987	5,099	194,367
Resources and Economic Development	51,817	22,301	393	1,025	75,536
Transportation	18,839	66,761	78,760	2,341	166,701
General Government	37,549	141,534	197	325	179,605
Enterprise	—	—	—	8	8
Capital Projects	150	48,840	—	43	49,033
Total General Fixed Assets Allocated to Functions	140,459	574,391	82,337	9,701	806,888
Less: Accumulated Depreciation	—	(181,596)	(32,190)	(5,453)	(219,239)
Net General Fixed Assets Allocated to Functions	$140,459	$392,795	$ 50,147	$ 4,248	587,649
Construction in Progress					13,104
Net General Fixed Assets					$600,753

See Notes to the Financial Statements.

Schedule of Changes in General Fixed Assets By Function and Activity

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

Function and Activity	General Fixed Assets July 1, 1983	Additional Implementation, Acquisitions, and Deletions	General Fixed Assets June 30, 1984
Education	$ 29,958	$ 17,761	$ 47,719
Administration of Justice	5,134	88,785	93,919
Individual and Family Services	183,026	11,341	194,367
Resources and Economic Development	53,675	21,861	75,536
Transportation	158,551	8,150	166,701
General Government	88,683	90,922	179,605
Capital Projects	41,255	7,778	49,033
Construction in Progress	3,734	9,370	13,104
Enterprise	—	8	8
Total General Fixed Assets	$ 564,016	$ 255,976	819,992
Less: Accumulated Depreciation			(219,239)
Total General Fixed Assets (Net of Accumulated Depreciation)			$ 600,753

See Notes to the Financial Statements.

General Long-Term Obligations Account Group

The General Long-Term Obligations Account Group is utilized to account for the outstanding principal balances of the Commonwealth's long-term obligations not reported in the proprietary fund types, Higher Education Fund, and Public Benefit Corporations. This includes general obligation bonds for capital projects and certain revenue-producing capital projects, which are all backed by the full faith, credit, and taxing power of the Commonwealth, as well as refunds payable on withheld income taxes and the long-term portion of the liability for compensated absences. Refunds on income taxes withheld during calender 1984 will be paid beginning in January, 1985, out of collections made in fiscal 1985. Also included are the long-term debts of the Virginia Port Authority, the Virginia Public School Authority, and the Virginia Public Building Authority which are not backed by the Commonwealth. The following are the bonds backed by the Commonwealth:

- *Transportation Facilities Bonds, Series 1973—issued in the amount of $103,000,000. $56,000,000 is payable in varying amounts from $7,000,000 to $8,750,000 annually through 1982, with interest, ranging from 4.25% to 6.00%, payable June 1, and December 1. The remaining $47,000,000 is payable June 1, 1993, with interest of 4.75%.*
- *Public Facilities Bonds, Series 1978—issued in the amount of $125,000,000, payable in annual installments of $6,575,000 through 1997, with the initial payment of $6,650,000 on August 1, 1979. Interest, ranging from 4.40% to 4.90%, is payable each February 1, and August 1.*
- *Transportation Facilities Bonds, Series 1982—issued in the amount of $57,000,000. $26,000,000 is payable in varying amounts from $500,000 to $3,200,000 annually through 2000, with interest ranging from 8.00% to 12.00%, payable June 1, and December 1. The remaining $31,000,000 is composed of term bonds, required to be redemmed beginning December 1, 2001, and each December 1 thereafter through 2007, in amounts varying from $3,500,000 to $5,000,000, with interest of 8.75%.*

Analysis

During fiscal year 1984, principal payments of $12.4 million were made on general obligation bonds. As a result of Virginia's conservative stance on incurring debt, as well as other factors, Virginia is one of the few states to consistently maintain a "triple A" bond rating.

Statement of Changes in General Long-Term Obligations

For the Year Ended June 30, 1984
(Dollars in Thousands)

	Balance (Restated) July 1, 1983	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 1984
Long-Term Obligations Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Article X, Section 9(b) and 9(c) Bonds:				
Higher Educational and Mental Hospitals Institutional Bonds, Series 1969	$ 5,800	$ —	$ 5,800	$ —
Transportation Facilities Bonds, Series 1973	47,000	—	—	**47,000**
Public Facilities Bonds, Series 1978	98,625	—	6,575	**92,050**
Transportation Facilities Bonds, Series 1982	57,000	—	—	**57,000**
Total Section 9(b) and 9(c) Bonds	208,425	—	12,375	**196,050**
Other Long-Term Obligations:				
Estimated Tax Refunds Payable on Withheld Income Taxes	190,723	214,189	190,723	**214,189**
Long-Term Portion of the Liability for Compensated Absences	—	110,793	—	**110,793**
Total Long-Term Obligations Bearing the Pledge of the Full Faith and Credit of the Commonwealth	399,148	324,982	203,098	**521,032**
Long-Term Debt Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Virginia Port Authority Long-Term Debt	27,357	13,249	7,503	**33,103**
Virginia Public School Authority Bonds	200,490	18,660	16,700	**202,450**
Virginia Public Building Authority Long-Term Debt	—	108,250	—	**108,250**
Total Long-Term Debt Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth	227,847	140,159	24,203	**343,803**
Total General Long-Term Obligations Account Group	$626,995	$465,141	$227,301	**$864,835**

See Notes to the Financial Statements.

Higher Education Fund

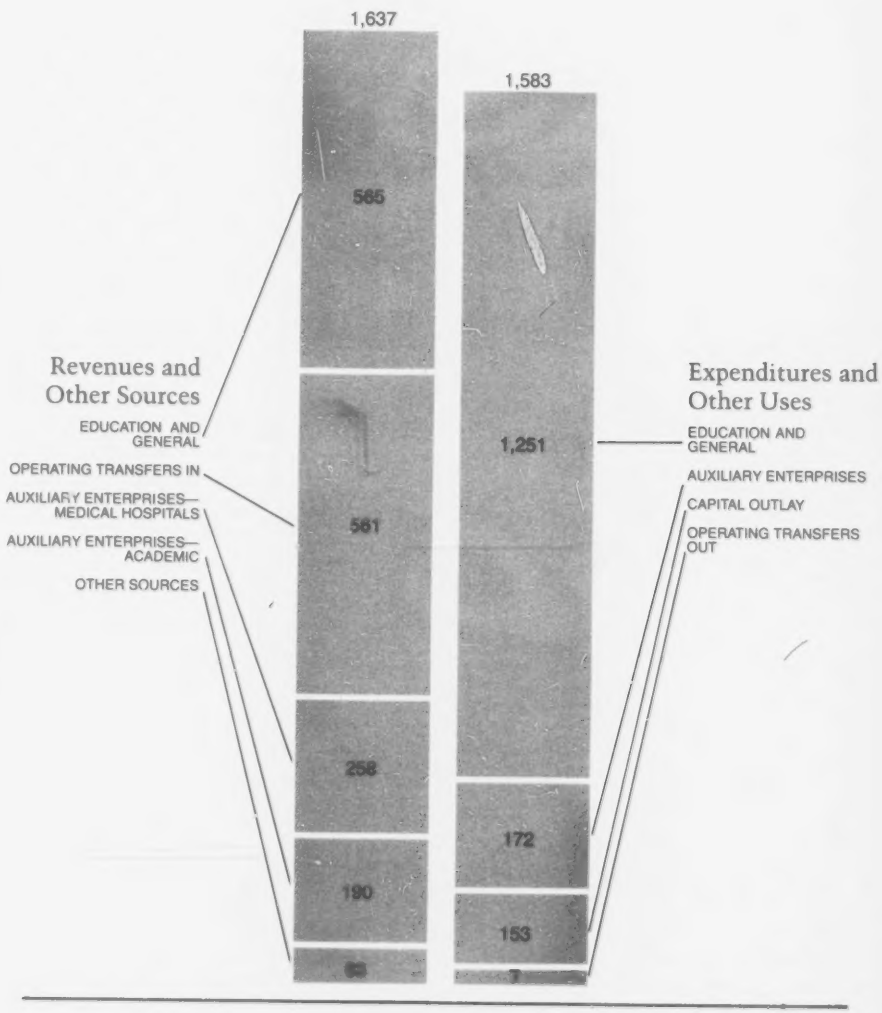
The Higher Education Fund is maintained to account for the resources received and used in the operation of the Commonwealth's institutions of higher education and the medical teaching hospitals administered by the governing boards of these institutions. Virginia has 15 four-year State colleges and universities, one two-year college, and two medical teaching hospitals. In addition, the Commonwealth has a community college system that is comprised of 23 two-year colleges.

Analysis

During 1984, the Higher Education Institution Bond, Series 1984, was issued in the amount of $31.9 million. This bond is to be retired from revenues guaranteed by the projects involved, and is also backed by the full faith and credit of the Commonwealth, as are all Higher Education Institution Bonds issued after 1970. Of these other Higher Education Institution Bonds, $5.8 million of the principal was retired during the year.

In 1984, revenues and other sources totaled $1,636.7 million, composed primarily of transfers from other funds, and education and general revenues. Expenditures and other uses, 79% of which is attributable to education and general expenditures, came to $1,583.2 million in 1984. Local and endowment funds are reflected, for the first time, in the Higher Education fund.

Higher Education Fund
Revenues and Expenditures
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Combining Balance Sheet
Higher Education Fund

June 30, 1984
(Dollars in Thousands)

	Common-wealth	Institutional and Endowment	Totals June 30, 1984	Totals June 30, 1983
Assets				
Cash and Investments	$ 89,304	$ 149,390	$ 238,694	$ 209,542
Cash and Investments with Trustees	—	—	—	6,822
Petty Cash and Travel Advances	373	—	373	380
Loans and Accounts Receivable (Net)	115,233	78,693	193,926	168,404
Prepaid Expenses	—	150	150	123
Property, Plant, and Equipment (Net)	648,850	—	648,850	641,845
Inventories	—	3,423	3,423	3,405
Investments	—	246,817	246,817	255,328
Amount Available for the Retirement of Long-Term Debt	93,744	—	93,744	70,763
Amount to be Provided for the Retirement of Long-Term Debt	211,794	—	211,794	205,106
Other Assets	—	3,645	3,645	2,532
Total Assets	$1,159,298	$ 482,118	$1,641,416	$1,564,250
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	$ 42,154	$ 37,836	$ 79,990	$ 102,036
Accrued Interest Payable	402	—	402	2,150
Deposits Pending Distribution	59	—	59	53
Due to Other Funds	20,744	—	20,744	40,025
Deferred Revenue	19,300	6,373	25,673	20,075
Matured Interest Payable	7,971	—	7,971	1,234
Matured Bonds Payable	4,256	—	4,256	1,738
Higher Education Bonds Payable—Section 9(c)	166,087	—	166,087	139,973
Other Higher Education Bonds Payable	127,224	—	127,224	132,924
Accrued Liability for Compensated Absences	45,144	—	45,144	45,144
Other Liabilities	295	84,623	84,918	60,363
Total Liabilities	433,636	128,832	562,468	545,715
Fund Equity:				
Investment in Plant	648,850	—	648,850	641,845
Fund Balance:				
Reserved for:				
State Student Loan Fund	1,672	—	1,672	6,822
Inventory	—	3,423	3,423	—
Other Assets	—	3,645	3,645	—
Unreserved Fund Balance:				
Designated	93,744	—	93,744	70,763
Undesignated	(18,604)	346,218	327,614	299,105
Total Fund Equity	725,662	353,286	1,078,948	1,018,535
Total Liabilities and Fund Equity	$1,159,298	$ 482,118	$1,641,416	$1,564,250

See Notes to the Financial Statements.

Combining Statement of Revenues, Expenditures, and Changes in Fund Equity Higher Education Fund

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

			Totals Year Ended	
Revenues:	Common-wealth	Institutional and Endowment	June 30, 1984	June 30, 1983
Education and General:				
Student Tuition and Fees	$ 229,649	$ 3,584	$ 233,233	$ 208,810
Governmental Grants and Contracts—Federal	135,402	22,339	157,741	130,322
Governmental Grants and Contracts—State Agencies	4,513	885	5,398	5,297
Governmental Grants and Contracts—Local	15,280	6,034	21,314	8,933
Gifts and Private Grants	28,589	36,197	64,786	55,101
Endowment Income	1,162	26,008	27,170	21,958
Sales and Services of Educational Departments	2,558	8,676	11,234	9,480
Indirect Costs Recovered	12,426	—	12,426	9,601
Other Sources	8,909	23,057	31,966	15,121
Total Education and General	438,488	126,780	565,268	464,623
Auxiliary Enterprises—Academic	151,815	38,000	189,815	163,446
Auxiliary Enterprises—Medical Hospitals:				
Patient Revenue—Per Diem Revenue	165,576	10	165,586	153,346
Patient Revenue—Other Fees	83,126	5,122	88,248	69,967
Other Medical Hospital Auxiliary Enterprises	3,840	—	3,840	8,054
Total Revenues	842,845	169,912	1,012,757	859,436
Expenditures:				
Education and General:				
Instruction	402,302	21,805	424,107	407,504
Student Aid	132,309	—	132,309	128,231
Physical Health Services	179,605	—	179,605	158,464
Institutional Support Services	94,698	7,090	101,788	102,004
Academic Support	98,347	11,282	109,629	115,989
Operation and Maintenance of Plant	80,936	1,019	81,955	83,724
Administrative and Support Services	67,571	547	68,118	63,017
Student Services	40,679	8,075	48,754	46,502
Public Services	27,353	7,693	35,046	36,981
Research	19,054	2,850	21,904	21,500
Other Expenditures	—	48,002	48,002	34,394
Total Education and General	1,142,854	108,363	1,251,217	1,198,310
Capital Outlay	109,948	42,728	152,676	126,656
Auxiliary Enterprises	137,116	34,453	171,569	158,602
Total Expenditures	1,389,918	185,544	1,575,462	1,483,568
Revenues Over (Under) Expenditures	(547,073)	(15,632)	(562,705)	(624,132)
Other Financing Sources (Uses):				
Appropriation Act Transfers	(2)	—	(2)	(256)
Proceeds from Sale of Bonds	57,409	—	57,409	59,373
Operating Transfers In	561,147	—	561,147	653,623
Operating Transfers Out	(7,288)	—	(7,288)	(95,430)
Net Increase in Assets Held by Trustees	229	—	229	6,822
Trust Fund Receipts Over (Under) Disbursements	(477)	—	(477)	—
Other Sources	5,095	—	5,095	—
Total Other Financing Sources (Uses)	616,113	—	616,113	624,132
Revenues and Other Sources Over (Under) Expenditures and Other Uses	69,040	(15,632)	53,408	—
Other Changes in Fund Equity:				
Accrual of Compensated Absences and Other Items	—	—	—	(52,581)
Increase in Commonwealth Investment in Plant	7,005	—	7,005	641,845
Fund Equity, July 1, as adjusted (Note 4)	649,617	368,918	1,018,535	429,271
Fund Equity, June 30	$ 725,662	$ 353,286	$1,078,948	$1,018,535

See Notes to the Financial Statements.

Public Benefit Corporations

Public Benefit Corporations are those public corporations empowered by the Code of Virginia to provide certain services to the citizens of Virginia, but which are not agencies of the State. While these organizations are not agencies of the State, generally accepted accounting principles require that they be included as a part of the Commonwealth's financial reporting entity. Three organizations met the criteria established by NCGA Statement No. 3, "Defining the Governmental Reporting Entity." Accordingly, the Commonwealth has included the Virginia Education Loan Authority (VELA), the Virginia Housing Development Authority (VHDA), and Virginia International Terminals, Inc. (VIT) in its annual report.

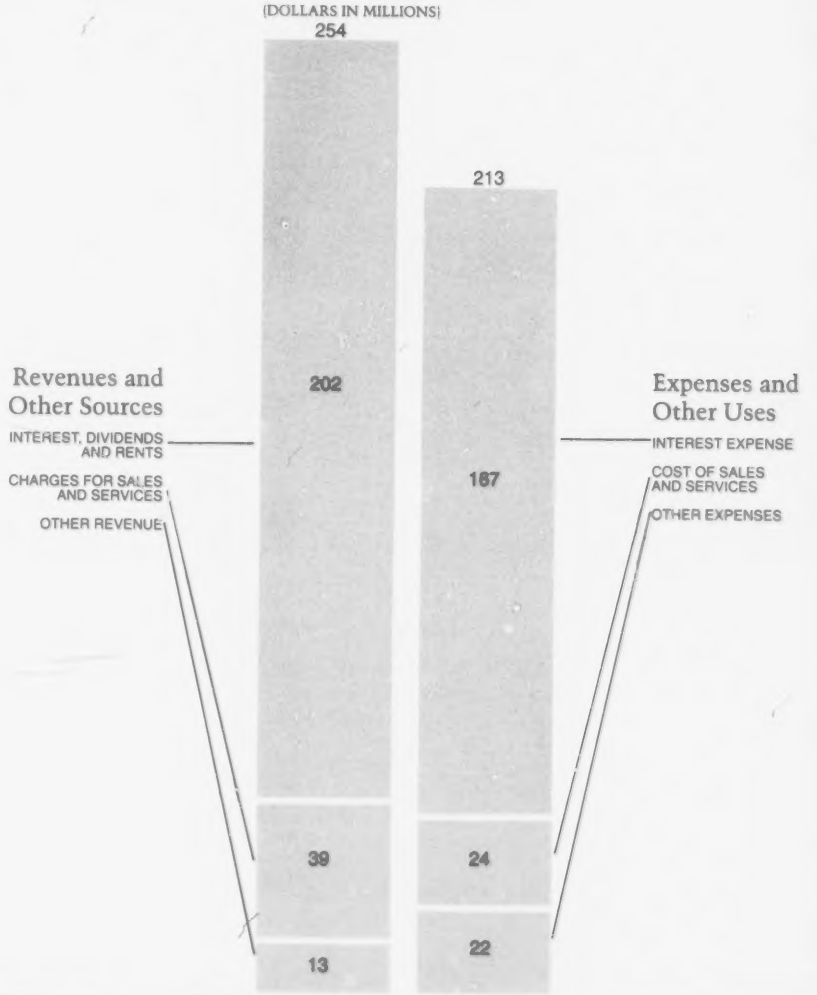
Analysis

In 1972, the General Assembly of Virginia enacted legislation which established the Virginia Housing Development Authority to finance housing sold or rented to families with low and moderate incomes. Funds are raised through the sale of tax-exempt notes and bonds. No tax monies are received from the State, nor is any of the debt a liability of the State. The VHDA is completely self-supporting. At year end, VHDA had total assets of $1.9 billion, comprised primarily of loans and accounts receivable, and investments. Net income for the year was $26.9 million.

In 1972, the General Assembly of Virginia enacted legislation which established the Virginia Education Loan Authority to assist students pursuing higher education in obtaining loans to attend college. No tax monies are received from the State, nor is any of the debt a liability of the State. At year end VELA had total assets of $503 million, which consisted primarily of loans and accounts receivable, and investments. Net income for the year was $13.2 million.

The Virginia International Terminals, Inc. was formed on January 1, 1982, for the purpose of operating marine terminals in Norfolk and Newport News for the Virginia Port Authority. In 1983, VIT was also given the right to operate terminals in Portsmouth. No tax monies are received from the State, nor are any of VIT's obligations a liability of the State. At year end, VIT had total assets of $16 million, which consisted primarily of loans and accounts receivable, and investments. Net income for the year was $1.2 million.

Public Benefit Corporations
Revenues and Expenses
Fiscal Year 1984
(DOLLARS IN MILLIONS)



Combining Balance Sheet
Public Benefit Corporations

June 30, 1984

(Dollars in Thousands)

	Virginia Housing Development Authority	Virginia Education Loan Authority	Virginia International Terminals, Inc.	Totals June 30, 1984	Totals June 30, 1983
Assets					
Cash and Investments	$ 578	$ 48,022	$ 2,816	**$ 51,416**	$ 35,673
Petty Cash and Travel Advances	—	—	—	—	1
Loans and Accounts Receivable (Net)	1,238,713	345,577	7,217	**1,591,507**	1,290,475
Accrued Interest Receivable	21,607	6,681	—	**28,288**	26,106
Other Receivables	280	3,454	—	**3,734**	2,838
Investments:					
Securities	584,847	97,288	—	**682,135**	715,038
Inventory, at Cost	4,304	—	1,023	**5,327**	6,050
Prepaid Expenses	—	24	977	**1,001**	337
Property, Plant, and Equipment (Net)	1,254	2,257	4,273	**7,784**	7,010
Systems Development Cost (Net)	—	176	—	**176**	94
Unamortized Bond Issuance Expense	1,880	—	—	**1,880**	1,595
Total Assets	$1,853,463	$ 503,479	$ 16,306	**$2,373,248**	$2,085,217
Liabilities and Fund Equity					
Liabilities:					
Accrued Liability For Compensated Absences	$ —	$ —	$ 300	**$ 300**	$ —
Accounts Payable	16,368	433	872	**17,673**	11,298
Bonds Payable—Public Benefit Corporations	1,604,270	366,452	—	**1,970,722**	1,745,642
Notes Payable—Public Benefit Corporations	691	75,000	—	**75,691**	72,985
Accrued Interest Payable	36,460	6,756	—	**43,216**	38,802
Other Liabilities	—	—	2,336	**2,336**	1,516
Deferred Revenue	6,735	—	—	**6,735**	6,011
Due to Program Participants	2,037	—	—	**2,037**	1,641
Escrows	26,072	—	—	**26,072**	19,817
Total Liabilities	1,692,633	448,641	3,508	**2,144,782**	1,897,712
Fund Equity:					
Contributed Capital	—	—	2,228	**2,228**	2,228
Retained Earnings	160,830	54,838	10,570	**226,238**	185,277
Total Fund Equity	160,830	54,838	12,798	**228,466**	187,505
Total Liabilities and Fund Equity	$1,853,463	$ 503,479	$ 16,306	**$2,373,248**	$2,085,217

See Notes to the Financial Statements.

Combining Statement of Revenues, Expenses, and Changes in Fund Equity Public Benefit Corporations

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Virginia Housing Development Authority	Virginia Education Loan Authority	Virginia International Terminals, Inc.	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
Operating Revenues:					
Interest, Dividends, and Rents	$ 162,239	$ 40,192	$ —	**$ 202,431**	$ 192,491
Special Allowance Income	—	12,456	—	**12,456**	10,246
Charges for Sales and Services	4,643	—	34,641	**39,284**	30,634
Other	266	—	—	**266**	194
Total Operating Revenues	167,148	52,648	34,641	**254,437**	233,565
Operating Expenses:					
Interest Expense	131,803	35,717	—	**167,520**	157,250
Personal Services	3,418	1,429	7,092	**11,939**	9,833
Cost of Sales and Services	3,743	—	20,107	**23,850**	18,041
Commitment Fees	—	94	—	**94**	1,321
Rent, Insurance, and Other Related Charges	121	100	3,004	**3,225**	2,406
Depreciation	141	111	895	**1,147**	918
Amortization	—	45	—	**45**	36
Contractual Services	—	—	1,726	**1,726**	1,370
Supplies and Materials	—	—	567	**567**	506
Expendable Equipment	—	—	77	**77**	67
Other	1,005	2,068	—	**3,073**	2,663
Total Operating Expenses	140,231	39,564	33,468	**213,263**	194,411
Operating Income	26,917	13,084	1,173	**41,174**	39,154
Nonoperating Revenues (Expenses):					
Net Gain (Loss) on Sale of Investments	—	87	—	**87**	(7,136)
Net Income	26,917	13,171	1,173	**41,261**	32,018
Change in Contributed Capital	—	—	—	—	796
Fund Equity, July 1, as adjusted (Note 4)	133,913	41,667	11,625	**187,205**	154,691
Fund Equity, June 30	$ 160,830	$ 54,838	$ 12,798	**$ 228,466**	$ 187,505

See Notes to the Financial Statements.

Combining Statement of Changes in Financial Position
Public Benefit Corporations

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Virginia Housing Development Authority	Virginia Education Loan Authority	Virginia International Terminals, Inc.	Totals Year Ended June 30, 1984	Totals Year Ended June 30, 1983
Sources of Working Capital:					
Operations:					
Net Income	$ 26,917	$ 13,171	$ 1,173	**$ 41,261**	$ 32,018
Items not Requiring Working Capital:					
Change in Contributed Capital	—	—	—	—	796
Amortization	—	45	—	**45**	36
Depreciation	141	111	895	**1,147**	918
Loss on Sale of Fixed Assets	54	—	—	**54**	17
Working Capital Provided by Operations	27,112	13,327	2,068	**42,507**	33,785
Sale of Fixed Assets	15	—	15	**30**	—
Increase in Long-Term Bonds Payable	252,605	47,476	—	**300,081**	191,304
Total Sources of Working Capital	279,732	60,803	2,083	**342,618**	225,089
Uses of Working Capital:					
Acquisition of Property, Plant, and Equipment	205	232	1,567	**2,004**	1,531
Increase in Bond Issuance Expense	285	—	—	**285**	249
Increase in Systems Development Cost	—	128	—	**128**	42
Total Uses of Working Capital	490	360	1,567	**2,417**	1,822
Net Increase in Working Capital	$ 279,242	$ 60,443	$ 516	**$ 340,201**	$ 223,267
Elements of Net Increase in Working Capital:					
Cash and Investments	$ (820)	$ 17,437	$ (876)	**$ 15,741**	$ (79,570)
Receivables	261,324	41,722	1,063	**304,109**	57,476
Securities	(34,724)	1,821	—	**(32,903)**	193,730
Inventories	(918)	—	194	**(724)**	2,960
Prepaid Expenses	—	(124)	789	**665**	(512)
Payables, Deposits, and Other Liabilities	61,755	(413)	(654)	**60,688**	52,213
Deferred Revenue	(724)	—	—	**(724)**	(343)
Due to Program Participants	(396)	—	—	**(396)**	2,151
Escrows	(6,255)	—	—	**(6,255)**	(4,838)
Net Increase in Working Capital	$ 279,242	$ 60,443	$ 516	**$ 340,201**	$ 223,267

See Notes to the Financial Statements.

Statistical Section

Ten-Year Schedule of Revenues—Budgetary Basis
All Funds by Source

(Dollars in Millions)

	Fiscal Year Ended June 30,									
	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Tax Revenues:										
Individual and Fiduciary Income	$1,770.7	$1,552.1	$1,446.1	$1,288.8	$1,103.0	$ 966.6	$ 874.8	$ 714.1	$ 614.6	$ 547.1
Sales and Use	835.5	723.7	670.5	645.2	594.9	534.7	489.2	426.8	385.7	361.1
Motor Fuels	326.9	310.6	314.6	311.4	279.9	292.1	275.0	265.2	254.1	246.8
Corporation Income	242.7	183.2	177.0	182.3	193.8	196.2	164.8	159.2	130.4	117.1
Public Service Corporations	121.5	118.5	105.6	104.1	105.3	96.4	106.4	90.4	86.2	71.6
Payroll—Unemployment Compensation	280.0	199.0	172.9	141.7	107.8	95.2	88.9	73.6	38.1	16.4
Motor Vehicle Sales and Use	116.5	88.0	73.3	67.7	64.3	72.3	68.9	58.4	49.5	40.9
Gross Premiums of Insurance Companies	97.0	87.1	84.4	80.1	76.5	73.3	65.2	59.6	49.3	45.7
Alcoholic Beverage—Sales Tax	55.7	44.8	45.5	42.6	39.7	36.7	34.4	32.1	29.2	28.2
Deeds, Contracts, Wills, and Suits	54.6	37.6	29.0	31.8	30.6	32.9	29.8	24.8	19.5	16.0
Beer and Beverage Excise	34.9	33.7	33.1	32.8	31.5	31.3	29.6	27.5	21.1	19.9
Estate	26.3	17.8	21.4	19.5	26.5	25.3	23.1	18.8	17.2	18.2
Tobacco Products	17.1	17.5	17.8	17.9	17.3	17.5	17.9	17.8	17.6	16.8
Capital Not Otherwise Taxed	11.1	11.7	15.1	13.4	13.1	10.9	10.6	9.7	8.9	7.7
Bank Stock	2.4	2.3	2.6	1.8	2.0	2.8	3.1	3.7	3.8	3.5
Wine and Spirits/ABC Liter	3.2	3.8	3.0	3.7	3.7	3.8	3.1	3.2	2.9	2.5
Gifts—Resident and Nonresident	.1	.1	.4	.3	.8	1.0	1.1	5.1	1.6	1.1
Other Taxes	103.2	99.8	26.6	21.4	15.7	19.0	27.6	5.2	4.4	3.3
Total Tax Revenues	4,099.4	3,531.3	3,238.9	3,006.5	2,706.4	2,508.0	2,313.5	1,995.2	1,734.1	1,563.9
Other Revenues:										
Federal and Other Grants, Donations, and Federal Revenue Sharing	1,336.1	1,240.4	1,244.0	1,443.5	1,326.8	1,167.7	1,108.1	976.1	849.8	822.0
Institutional Revenue	856.5	734.7	669.7	589.0	511.9	438.2	408.6	374.0	325.6	292.0
Sales of Property and Commodities	250.1	261.5	258.0	247.2	235.0	217.8	233.6	195.0	203.7	199.4
Rights and Privileges	276.1	255.2	201.3	199.4	178.3	182.3	168.7	167.2	170.1	158.5
Interest, Dividends, and Rents	86.2	94.2	117.5	97.0	91.8	70.1	122.8	119.7	83.9	120.2
Fines, Forfeitures, Costs, Penalties, and Escheats	49.8	47.2	37.6	33.7	26.1	29.9	25.7	13.8	13.3	16.2
Assessments—Special Services	14.3	15.3	17.6	12.0	11.7	9.5	11.2	9.7	8.8	7.7
Other Revenues	146.6	123.7	134.5	173.5	125.9	156.3	76.2	60.6	29.4	35.0
Total Other Revenues	3,015.7	2,772.2	2,680.2	2,795.3	2,507.5	2,271.8	2,154.9	1,916.1	1,684.6	1,651.0
Total Revenues	$7,115.1	$6,303.5	$5,919.1	$5,801.8	$5,213.9	$4,779.8	$4,468.4	$3,911.3	$3,418.7	$3,214.9

Ten-Year Schedule of Expenditures—Budgetary Basis
All Funds by Function and Budgetary Classification

(Dollars in Millions)

	Fiscal Year Ended June 30,									
	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Expenditures by Function:										
Education	$2,356.7	$2,170.2	$2,048.9	$1,916.3	$1,722.0	$1,602.5	$1,594.8	$1,473.2	$1,328.9	$1,218.9
Administration of Justice	502.0	480.7	429.7	338.9	266.9	234.7	186.4	163.6	103.6	96.1
Individual and Family Services	2,058.0	2,043.9	1,991.6	1,853.0	1,594.4	1,372.8	856.2	782.1	706.0	653.0
Resources and Economic Development	173.6	165.2	156.0	144.5	125.9	114.1	297.8	289.6	295.8	227.4
Transportation	903.0	830.0	732.0	924.1	936.5	936.0	165.8	153.1	118.4	114.6
General Government	232.4	229.9	283.5	289.6	217.2	173.2	148.5	101.0	110.1	94.9
Enterprises	452.9	432.3	306.0	284.5	254.9	240.8	173.0	159.0	156.5	154.2
Capital Projects	170.6	177.7	147.7	157.9	146.3	108.9	673.3	532.7	524.7	628.4
Other	—	—	—	—	—	—	240.9	210.3	168.1	152.1
Total Expenditures	$6,849.2	$6,529.9	$6,095.4	$5,908.8	$5,264.1	$4,783.0	$4,336.7	$3,864.6	$3,512.1	$3,339.6
Expenditures by Budgetary Classification:										
Personal Services	$2,033.5	$1,941.4	$1,911.2	$1,727.7	$1,623.3	$1,514.8	$1,468.6	$1,312.6	$1,144.6	$1,049.9
Medical and Other Contractual Services	1,066.0	954.5	1,060.9	930.0	830.2	735.7	709.6	603.2	487.0	461.0
Supplies and Materials	495.0	477.5	527.9	522.6	473.6	419.8	386.5	342.1	308.3	292.0
Grants and Distributions to Localities	2,476.9	2,406.3	1,922.7	1,916.5	1,557.5	1,401.4	1,209.8	1,108.7	1,028.7	958.4
Debt Service	37.2	46.4	54.9	51.7	45.4	39.7	—	—	—	—
Rent, Insurance, and Other Related Charges	181.6	174.5	111.5	108.4	102.3	97.2	221.8	229.7	248.5	192.1
Recoveries	—	—	(163.8)	(142.5)	(135.7)	(114.8)	(131.8)	(145.6)	(117.7)	(119.4)
Land, Equipment, and Other Fixed Assets	561.8	539.6	448.4	607.8	643.3	588.3	472.2	413.9	412.7	505.6
Trust Fund Expenditures	—	—	214.4	182.0	122.0	94.9	—	—	—	—
Other	(2.8)	(10.3)	7.3	4.6	2.2	6.0	—	—	—	—
Total Expenditures	$6,849.2	$6,529.9	$6,095.4	$5,908.8	$5,264.1	$4,783.0	$4,336.7	$3,864.6	$3,512.1	$3,339.6

Programmatic budgeting was implemented on July 1, 1978, causing a realignment of expenditure classifications from previous years. As of July, 1982, recoveries no longer have their own object code. They are now included in each of the expenditure categories. Likewise, the Trust Fund expenditures are now combined with Rent, Insurance, and Other Related Charges.

Schedule of Major Assistance To/On Behalf of Localities

For the Fiscal Year Ended June 30, 1984

(Dollars in Thousands)

School and Other Educational Assistance	$ 862,700
School Aid from State Sales and Use Tax	275,510
Assistance for Recipients of Aid from Department of Social Services	368,578
Financial Assistance for Individual, Family, and Community Health Services	105,655
Assistance for Mass Transit, City Street Maintenance, and Arlington and Henrico Counties' Road Work	722,953
Assistance for Crime Detection, Investigation, Legal Advice, and Tax Valuation	91,768
Assistance for Mental Health and Mental Retardation Services	6,154
Assistance for Maintenance, Construction, Operation, and Confinement in/for Local Jail Facilities	19,260
Assistance from Operations of the Department of Alcoholic Beverage Control:	
Share of Alcoholic Beverage Control Net Profits	18,736
Share of Tax on Wine	3,159
Assistance Tax Valuation and Aid for Local Airports	14,108
Assistance for Water Quality Management, Planning, and Technical Aid	8,084
Assistance for Administration of Justice	2,329
Assistance for Planning Districts; Social Service Research and Planning; Economic Development Research; Planning and Coordination	2,894
Leisure and Recreation Services	5,996
Assistance for Individuals and Families from Office on Aging	8,196
Assistance for Promotion of Transportation Safety	15,412
Assistance for Public Libraries	9,733
Assistance from Tax on Mobile Homes and for the Disposal of Abandoned Motor Vehicles	4,559
Assistance for Registrar Compensation and Electoral Board Compensation and Expenses	2,288
Financial Assistance to Localities—General	51,092
Total	$2,599,164

Computation of Legal Debt Limit and Margin

June 30, 1984

	Fiscal Year Ended June 30,			
	1984	1983	1982	
Computation of Legal Debt Limit				
Taxes on Income and Retail Sales:				
Individual and Fiduciary Income Tax	$1,770,730,389	$1,552,147,811	$1,446,132,415	
Corporate Income Tax	242,706,555	183,215,161	176,965,682	
State Sales and Use Tax	834,497,372	723,661,429	670,971,980	
Total	$2,847,934,316	$2,459,024,401	$2,294,070,077	
Average for the three fiscal years				$2,533,676,265
Debt Limit (1.15 times this average)				$2,913,727,705
State General Obligation Debt for Capital Projects				
Debt Limit				$2,913,727,705
Bonds Outstanding:*				
Public Facilities Bonds—Series 1978				92,050,000
Debt Margin (Remaining Borrowing Limit Subject to Additional Borrowing Restriction below)				$2,821,677,705
Additional Borrowing Restriction:				
Special authorization limit—25% of $2,821,677,705				705,419,426
Total Special Authorization Limit (Amount that could be Authorized by the General Assembly in the 1985 Session)				$ 705,419,426
State Debt for Certain Revenue-Producing Capital Projects				
Debt Limit				$2,913,727,705
Bonds Outstanding:*				
Higher Educational Institutions Bonds—Series 1971			$ 13,000,000	
Higher Educational Institutions Bonds—Series 1973			10,760,000	
Transportation Facilities Bonds—Series 1973			47,000,000	
Higher Educational Institutions Bonds—Series 1976			14,085,000	
Higher Educational Institutions Bonds—Series 1979			12,930,000	
Higher Educational Institutions Bonds—Series 1981			4,612,000	
Higher Educational Institutions Bonds—Series 1982			12,080,000	
Transportation Facilities Bonds—Series 1982			57,000,000	
Higher Educational Institutions Bonds—Series 1983			66,665,000	
Higher Educational Institutions Bonds—Series 1984			31,955,000	270,087,000
Debt Margin (Remaining Borrowing Limit)				$2,643,640,705

*Bonds included on this schedule are only those which are backed by the full faith and credit of the Commonwealth.

Balance Sheet—Budgetary Basis
General Fund

June 30, 1984
(Dollars in Thousands)

	June 30, 1984	June 30, 1983
Assets		
Cash and Investments	**$192,605**	$ 26,640
Petty Cash and Travel Advances	**3,532**	3,631
Due from Other Funds	**—**	55,406
Other Receivables and Assets	**281**	1,387
Loans Receivable from Proprietary Funds	**14,375**	15,375
Total Assets	**$210,793**	$102,439
Liabilities and Fund Balance		
Liabilities:		
Deposits Pending Distribution	**$ 264**	$ 292
Deferred Revenue	**271**	262
Due to Other Funds	**2,245**	—
Total Liabilities	**2,780**	554
Fund Balance:		
Reserved	**14,375**	20,170
Unreserved:		
Designated	**112,417**	81,715
Undesignated	**81,221**	—
Total Fund Balance	**208,013**	101,885
Total Liabilities and Fund Balance	**$210,793**	$102,439

Analysis of General Fund Balance
Budgetary Basis

As of June 30, 1984

(Dollars in Thousands)

Fund Balance at June 30, 1984		$208,013	
Reserved for Long-Term Working Capital Advances to Internal Service Funds	$ 5,375		
Reserved for Long-Term Loan to the Department of Alcoholic Beverage Control	9,000		
Total Reserved Fund Balance		14,375	
Unreserved Fund Balance at June 30, 1984			$ 193,638
Amount Required for Reappropriation of 1984 Unexpended Balances:			
Operating		3,303	
Capital Outlay		63,915	
Amount required by Chapter 755, 1984 Acts of Assembly		42,996	
Amount required by Chapter 755, 1984 Acts of Assembly, Item 183 Relating to Education Textbook Rental Payments		2,203	
Total Designated			112,417
Balance Available for Appropriation			$ 81,221

Comparison of Sum-Sufficient Estimated Appropriations With Actual Expenditures—Budgetary Basis—General Fund

For the Fiscal Year Ended June 30, 1984
(Dollars in Thousands)

	Estimated Appropriations	Actual Expenditures	Amount (Over) Under Estimate
Enactment of Laws	$ 8,851	$ 5,983	$ 2,868
Financial Assistance to Localities—From Sale of Alcoholic Beverages	22,030	21,896	134
Financial Assistance for Special State Revenue Sharing (Sales Tax)	271,400	275,510	(4,110)
Financial Assistance to Localities (General)	150	182	(32)
Social Security Benefits (Local)	75,773	76,204	(431)
Group Life Insurance (Local)	3,252	3,209	43
Totals	$381,456	$382,984	$ (1,528)

Graphic design: Office of Graphic Communications, Division of Purchases & Supply, Department of General Services, Commonwealth of Virginia.